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ASEAN 'Experts' Discuss Tension Over Spratlys

OW2104082895 Tokyo KYODO in English 0803 GMT 21 Apr 95

[FBIS Transcribed Text] Manila, April 21 KYODO—Security experts in Southeast Asia have warned that an armed Japan might be drawn into the Spratly dispute in the South China Sea because of its vast investment and trading interests in Southeast Asia.

"Conflicts in the South China Sea have added a new complexity to Southeast Asian defense by bringing upon the scene a potential military giant," Malaysian Defense Undersecretary Siti Azizah Abod [name as received] said Friday [21 April].

She said Japan considers the sea lanes of communication in the South China Sea vital to its economic survival.

Already Japan has raised concern that the tensions over the disputed Spratly Islands could disrupt maritime trade. Much of Japan's trade in the Indian Ocean and Middle East passes through the South China Sea.

In a paper presented during the two-day conference of the ASEAN Defense Technology Exchange in Manila, Abod also said that Japan's growing trade frictions with the United States and the possibility of the U.S. overshadowing Tokyo in both economic and military terms in the future will also force Japan to develop a "comprehensive military power, including nuclear capability."

"Geopolitics and Japanese past record of militarism and aggression suggest that a Japan armed to the teeth will be a grave security threat to Southeast Asia," she said.

"This security concern has been further exacerbated by potential threat from China and a reunified Korea," she said.

Abod said Tokyo was "somewhat disturbed" when Seoul disclosed a few years ago its plan to acquire a nuclear-powered aircraft carrier and upgrade its naval and air power with new missile destroyers and patrol craft, submarines and fighters by the year 2000.

"Further U.S. military disengagement from the west Pacific coupled with the global nature of Japan's political, economic and security interests will intensify Japanese rearmament efforts," she said.

Asian defense experts and academics also warned during the conference that a low intensity conflict marked by skirmishes could erupt in a "worst case scenario" over the disputed Spratly Islands.

Carolina Hernandez, a political analyst, likened the situation to the brief but bloody skirmishes between China and Vietnam over the Spratlys in 1988.

The Spratlys, a group of islets and atolls straddling major sea lanes in the South China Sea, are claimed in whole or in part by China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei.

All but Brunei have stationed troops in the area, which is believed to contain minerals and oil deposits. Security analysts have tagged the area as a potential flash point of conflict in Southeast Asia.

Countries To Standardize Customs Procedures

BK1604114395 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 16 Apr 95

[FBIS Translated Text] Twenty-one Asia-Pacific countries have agreed to standardize their customs procedures in anticipation of the coming free trade era. Agung Permana, director of customs of the Directorate General of Customs and Excise, spoke in Yogyakarta and said the clearance of passengers and goods will face problems without standardized customs procedures. Therefore, Asia-Pacific countries will continue to make efforts to standardize their customs regulations as early as possible.

Asian Stock Exchanges To Cooperate on Derivatives

OW1104101595 Tokyo KYODO in English 1003 GMT 11 Apr 95

[FBIS Transcribed Text] Tokyo, April 11 KYODO—Officials from major securities markets in Asia on Tuesday [11 April] ended two days of talks in Tokyo with an agreement to cooperate in improving the management of risks on derivatives trading.

In a communique on their accords, participants in the Asia securities forum also agreed to cooperate in promoting initial public offerings, especially privatization of state-run companies, and to increase participation of small investors in securities markets.

The forum was proposed by the Japan securities dealers association and attended by 45 officials from 12 securities markets in the region, including Japan, China, Hong Kong, South Korea, the Philippines, Singapore, Taiwan and Australia.

Participants agreed to hold the forum annually. They will meet in Seoul in 1996 and in Manila in 1997.

Japan

Reaction to Japan-U.S. Auto Talks Reported

Hashimoto 'Blasting' U.S. Makers

OW2104032895 Tokyo KYODO in English 0316 GMT 21 Apr 95

[FBIS Transcribed Text] Tokyo, April 21 KYODO—Trade Minister Ryutaro Hashimoto dug in his heels Friday [21 April] over the growingly fractious Japan-U.S. car talks, vowing not to yield to U.S. calls for Japanese automakers to buy more foreign parts.

Blasting U.S. automakers for not trying hard enough in Japan and the U.S. Government for continuing to seek expanded "voluntary" purchase plans from Japanese makers, the Ministry of International Trade and Industry (MITI) chief said that if Washington absolutely insists it cannot have a deal without the industry plans, "then there's no reason to talk."

Hashimoto told a regular news conference after a morning cabinet meeting that the Japanese car market is "absolutely not closed," despite U.S. contentions, asserting that European automakers have never called the market closed and have beaten U.S. makers in Japan by working harder to meet the market's needs.

At the U.S. side's strong request, expert-level talks will resume next week on autos, the remaining unresolved bilateral trade issue, after high-level talks ended Tuesday in Washington, he said.

The vice minister-level talks made some progress, Hashimoto said, but "it is true that gaps remain."

Based on the expert-level talks, he said he will decide whether to meet one-on-one with U.S. Trade Representative Mickey Kantor when they attend a four-way trade ministers' conference in Vancouver in early May.

Hashimoto also announced that MITI will launch a probe into certain Asian textile imports at the request of the domestic industry under "safeguard" provisions of global trading rules.

Based on the findings of a one-year investigation of imports of No. 40 count cotton thread and broad and poplin cotton cloth, Japan could limit imports to protect domestic companies, MITI says.

The trade chief lashed out at U.S. negotiators for seeking in "unofficial venues" to increase purchases by Japanese automakers.

Declaring himself "unbending," Hashimoto indicated he hopes the United States will back down from pushing for commitments by Japan's auto industry, asking what mutual benefit there would be in forcing the talks to rupture.

"I just cannot understand why America, which advocates deregulation and free trade, would seek increased voluntary purchase plans, which are connected to numerical targets and managed trade," Hashimoto said.

The U.S. maintains that 1992 industry purchase plans worked well and that although it is asking the companies to consider expanding and extending them, it is specifying no target levels and applying no pressure.

U.S. officials question how Japan can bar talk of such plans from the government negotiating table and then attack the U.S. for seeking them privately.

Association on U.S. Stance

OW2104002195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Apr 95 Evening Edition p 3

[By Ichiro Kuwata]

[FBIS Translated Text] New York, 18 Apr—The Japan Automobile Manufacturers Association on 18 April issued a statement strongly criticizing the U.S. stance on the auto and auto parts negotiations under the Japan-U.S. economic framework talks. It said: "The U.S. Government is endangering (bilateral) relations by accepting a demand from the Big Three that some guarantees be given regarding business with Japan." Furthermore, the association stressed: "Shutting Japanese cars out of the U.S. market only leads to a raise in car prices and unemployment."

Carmakers on Procurement

OW2104124195 Tokyo MAINICHI SHIMBUN in Japanese 20 Apr 95 Morning Edition p 10

[Article by Kazuo Otaka, Economic News Department]

[FBIS Translated Text] The primary cause of the failure of the recent Japan-U.S. deputy ministerial negotiations on automobiles and auto parts is the issue of appending the Japanese carmakers' voluntary procurement plans for U.S.-made auto parts. The Japanese automakers are unanimous in that "any further increase will be impossible."

While plans to purchase a total of $19 billion worth of parts in FY94 have more or less been accomplished, "It will not be possible to increase parts imports because of increased overseas production (in Asia and elsewhere) as a consequence of the yen's substantial appreciation" (according to a major car manufacturer). There seems to be no common ground between the United States, which is threatening to impose sanctions, and Japan, which is desperately defending the free market principles.

The Japanese car manufacturers compiled their voluntary parts procurement plans in 1992 to meet the United States' demand. At first, plans were drawn up for importing $19 billion worth of parts up to FY94. However, due to pressure from the United States in the spring of 1994 to extend these plans and increase procurement volumes, the Japanese makers drew up new plans to purchase at least $22 billion of parts in FY96.

This time, the United States is again asking for an extension of the plans and another increase in procurement. The Japanese makers are all saying "this is impossible."

According to the Japan Automobile Manufacturers Association's statistics, the actual importation of U.S.-made parts in FY92 was around $13.6 billion, and in FY93, this increased by 14 percent to around $15.5 billion. While figures for FY94 are still being collated, imports for the first half of 1994 reached $9.5 billion, representing an increase of 31 percent over the same period in the previous year. The yearly target is expected to be cleared.

However, domestic production of cars is declining due to the automakers' transfer of production bases overseas to hedge the risk of yen appreciation. "In particular, exports of U.S.-bound vehicles, which use the most number of U.S.-made parts, are decreasing, and therefore, it is impossible to increase parts imports" (according to Toyota Motor Corporation). "The most that we can do is to increase local procurement (for car production in the United States) to make up for the shortfall in the importation plans, so that the overall target can be met" (according to Nissan Motor Company, Ltd.).

There is also strong criticism against the United States' threatening to impose sanctions in an area of private business that is outside the jurisdiction of government level negotiations.

The automakers are taking a tough attitude in the belief that "The vicious circle of making repeated concessions out of fear of sanctions should be stopped." It seems that a point of compromise will be difficult to come by.

Automakers' Stance Discussed

OW2104135195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Apr 95 Morning Edition p 3

[FBIS Translated Text] Japanese automakers are taking a strong stance toward U.S. demands for their pledges on additional purchase of U.S.-made auto parts. A senior official of Nissan Motor Co. said "making concessions to the United States is not an option."

Honda Motor Co. noted Japanese automakers "clearly refused" requests for increasing imports of U.S.-made auto parts in recent meetings with U.S. officials, including Ambassador Walter Mondale. The automakers' rigid stance is due to their bitter experience of being forced to pledge $19 billion in imports of U.S.-made parts when former President George Bush visited Japan in January 1992.

At that time, the yen rate was about 125 yen to the dollar. The bilateral auto agreement in 1992 was devised as the symbol of Japan-U.S. cooperation to overcome trade frictions and the yen-rate surge. Nevertheless, the yen rate kept going up even after the agreement. Automakers "accepted the fruitless purchase plan" (as noted by an executive of a major automaker) because of a request from the then Prime Minister Tomiichi Murayama. In recent negotiations, however, the Democrat-led U.S. Government insisted that "Japan must accept numerical targets because they are just the same as what was offered to the Republican-led government." Japanese automakers are reacting strongly to the U.S. demand.

The United States is trying to use the yen surge to reduce its trade deficits against Japan, but the strategy may bring about unexpected results. An estimate by Nikko Research Center says the Japanese market in 1995 will be able to import 500,000 foreign-built cars, up 67 percent from the previous year, if the dollar rate remains at 80 yen. This is encouraging news for the big three, but this is unlikely because the strong yen has dampened domestic market demand. It is believed that, as of 18 April, monthly sales of new cars dropped by 2-3 percent from the record level established in April 1994. As U.S.-brand cars are relatively more expensive than Japanese models, the sales downturn may affect U.S. automakers more seriously.

But Japanese automakers may have to reconsider their stances. To cope with the yen surge, they have to hurriedly review their management plans, including those on parts procurement. Automakers now believe that they "have to increase imports to about 30 percent of the level of exports to soften the shock of the yen rate surge" (as noted by a top Nissan official). Expanding parts imports is an inevitable goal for them in order to reinforce their cost competitiveness.

Trade Official Predicts No Sanctions

OW2104111695 Tokyo KYODO in English 1108 GMT 21 Apr 95

[FBIS Transcribed Text] Tokyo, April 21 KYODO—A senior Japanese trade official said Friday [21 April] he does not expect the United States to impose sanctions on Japan over the fractious issue of auto trade.

Stressing it was his personal opinion, the official at the Ministry of International Trade and Industry (MITI) told reporters he does not expect the U.S. to resort to Section 301 of its trade laws to retaliate over what it calls Japan's closed car market.

Yoshihiro Sakamoto, MITI vice minister for international affairs, went to Geneva this week to brief World Trade Organization (WTO) leaders on the chance that Japan could appeal over a Section 301 action to the global trade referee, the official said.

But he questioned whether Washington would impose sanctions which "will get it nothing."

Sakamoto, going to Geneva immediately after high-level talks in Washington ended Tuesday without progress on the remaining unresolved bilateral trade issue, did not seek the WTO's support for Japan's position, the official said.

Rather, Sakamoto explained that it is possible Japan could take its case to Geneva while vowing his utmost to reach a trade agreement, according to the official.

Sanctions provisions of Section 301 "clearly violate the rules of the WTO," which was inaugurated in January, he said.

The official repeated that Japan will immediately break off talks if the U.S. publishes a list of possible sanction targets.

MITI officials vowed Friday to seek common ground at expert-level talks, slated for next Wednesday and Thursday in Tokyo, but they said it is unclear if MITI chief Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor will even meet one-on-one at an early may four-way trade ministers' conference in Vancouver.

Editorial on Collision With U.S. on Auto Talks

OW2104131295 Tokyo MAINICHI SHIMBUN 21 April Morning Edition in Japanese 95 p5

[Editorial: "Economic Friction Between Japan and the United States"]

[FBIS Translated Text] The Japanese-U.S. negotiations on automobiles and auto parts in Washington ended without reaching an agreement. The two governments are now clearly heading toward collision.

If nothing is done to remedy this situation, the ministerial talks in early May will also end in failure. The United States will then announce a list of sanctions based on the Super 301 provision of the 1988 Omnibus Trade Act (on retaliation against unfair trade practices), and Japan will retaliate with its own list of sanctions. There is now a strong possibility that this may lead to a fierce automobile war.

Some Japanese negotiators are already resigned to the fact that "a war of sanctions is an economic game played frequently between the United States and Europe." It has been reported that younger bureaucrats are now pressing the bureau director generals and the vice ministers to "fight it out," telling them: "We should not go on listening to the unreasonable demands of the U.S. Government and the businesses."

Such a combative mood is probably also strong in the Clinton administration and the U.S. Congress. The automobile industry and its labor unions have great political influence. The atmosphere is such that not only the Democratic Party, but even the Republican Party is prepared to take tough measures to correct the imbalance in the automobile sector.

The Japanese automobile industry takes an even more cynical attitude. It claims that the United States did not really want to reach a compromise in the recent talks; it only wanted to induce further appreciation of the yen and see how far Japanese industrial competitiveness falls as a result.

In any case, it seems that a scenario of conflict has become quite real. However, what the two governments and their legislatures should not forget is the overall Japan-U.S. alliance and political relations, including their security ties.

President Bill Clinton has offended Japanese national sentiments with his statement endorsing the decision to drop atomic bombs on Japan. Can he be sure that the conflict over automobiles will have no adverse effects on the bilateral alliance?

Right now, Japan is under the triple strain of a political vacuum, economic recession, and social anxiety resulting from the great Hanshin earthquake and the subway sarin gassing incident. The people's attention is concentrated on domestic issues. During such a period of low economic growth, there is no danger of Japan increasing its export capability and further expanding the trade imbalance even if nothing is done about the issue.

The report on "U.S. Security Strategy for East Asia and the Pacific" issued by the U.S. Department of Defense in February reaffirms the importance of cooperation between Japan and the United States. The U.S. people will not support policies that only look at shortsighted economic interests at the expense of driving a wedge into the bilateral partnership.

For sure, the imbalance in the automobile sector is an urgent issue that needs to be addressed, and both the government and the automobile industry are responsible for finding a solution.

However, there has been a marked increase of imports of U.S.-made auto parts and motor vehicles since 1992. The U.S. carmakers are expected to further increase their exports of right hand drive cars and other vehicles meeting the needs of Japanese customers, and accelerate their advance into the Japanese market.

The foremost demand of the U.S. Government on Japan is for the Japanese automakers to append their voluntary procurement plans for U.S. auto parts. This is simply impossible to do. Parts imports have already reached over $19 billion in FY94, while there has been a dramatic decline in domestic car production. There is just practically no room for any increase of parts imports.

Furthermore, [if Japan agrees to this demand] it will have to do the same thing for the European countries. U.S. Ambassador to Japan Walter Mondale visited Japanese carmakers and graciously presented the U.S. demand, but the automakers had to say "no."

Instead, Japan proposes other concessions, such as introducing and acting as intermediaries for Japanese dealers [and U.S. carmakers], and deregulatory measures in the maintenance parts market. The fact is, many of these issues are outside the government's jurisdiction. Many of them depend on how hard the U.S. carmakers work for cutting into the Japanese marketing network, and cooperation between the Japanese and U.S. businesses, such as in the form of mutual stockholding. A solution will take time.

Separate Handling of Yen, Auto Talks Urged

OW2104124095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Apr 95 Morning Edition p 2

[Editorial: "The 'Yen Appreciation Issue' and the 'Auto Talks' Must Be Dealt With Separately"]

[FBIS Translated Text] On the foreign exchange market, the dollar has reached a historical low below the 80 yen level. This sudden rise in the yen's value was reportedly spurred by speculation on the exchange market that, since no agreement has been reached in negotiations on the automobile and auto parts sector under the Japan-U.S. economic framework talks, the U.S. Government will exert yen-buying pressure. However, this "speculation" appears to be dubious. The U.S. monetary authorities have no intention of exerting pressure on the strong yen by going to the length of taking the risk of a sharp drop in the dollar. Forcing Japan to expand its imports does not help reduce Japan's current account surplus.

It appears that the yen rate against the dollar reached its highest level because U.S. Commerce Secretary Ronald Brown stated that "even if the dollar drops against the yen, the U.S. Government's hard stance on the Japan-U.S. auto talks remains unchanged." However, Secretary Brown is not in charge of monetary affairs, nor is he leading the auto talks. It is unreasonable to conclude that this statement indicates the Clinton administration's intention to use the yen's appreciation in dealing with the auto talks.

Since the Clinton administration was inaugurated, people concerned with the exchange market have speculated that the administration has taken the offensive against Japan by connecting the monetary issue with its trade strategy. However, it is wrong to attribute the current yen appreciation to the Clinton administration's economic policy toward Japan. An administration cannot determine the tendency of the foreign exchange market by making certain remarks in the current age in which the market has the upper hand.

Coordination on sector-by-sector issues under the framework talks, including the auto talks, will not lead to the correction of the current account imbalance, which lies at the root of fluctuations in the exchange rate. Let us suppose that Japanese car makers increase imports of foreign auto parts by setting virtual numerical targets as the U.S. Government has demanded. In this case, such forced imports would decrease domestic production and increase pressure toward deflation. Moreover, since this would affect imports of other products, Japan's trade surplus would not be reduced. Forced self-restraint on exports to the United States would also cause deflationary effects and decrease Japan's imports.

The only way to correct the current account imbalance is for Japan to rectify its economic structure of excessive savings and stimulate the financial situation, while the United States should try to increase savings and reduce its fiscal deficits. As pointed out by President Clinton, since short-term economic measures have limits in stabilizing the exchange market, it is very important to strengthen the economic fundamentals on a long-term basis.

The Japanese Government should deal with the appreciation of the yen and the auto talks separately, without being misled by moves on the exchange market. Its position that the auto talks should focus on subjects "under the government's jurisdiction" is correct. We hope that the government will persistently negotiate with the United States to create an open market on the premise that they will not run into managed trade.

The only way for Japan to halt the yen's surge against the dollar is to expand domestic demands and to reduce its trade surplus through fiscal measures and deregulation. The government should immediately implement the contents of the yen-curbing and economic package announced recently. While government officials discuss an "awkward situation" concerning fluctuations in the exchange rate, the ruling parties plan to send a mission to the United States to brief the country on the Japanese yen-curbing package. We hope that the government and the ruling parties will stop making such pell- mell remarks and actions.

Takemura on Ways To Support Dollar at G-7

OW2104023495 Tokyo KYODO in English 0221 GMT 21 Apr 95

[FBIS Transcribed Text] Tokyo, April 21 KYODO—Finance chiefs from the Group of Seven (G-7) nations are expected to discuss ways to shore up the weakening dollar at their meeting next Tuesday [25 April] in Washington, Finance Minister Masayoshi Takemura said Friday.

Takemura told a news conference after a regular cabinet meeting that the discussions are expected to center on "what the international community needs to do to attain a strong dollar."

The G-7 nations—Britain, Canada, France, Germany, Italy, Japan and the United States—have basically agreed that a strong dollar is desirable, apart from specifics and wording, Takemura said.

Some cabinet members have criticized the apparent reluctance of the U.S. to take short-term measures to defend its currency.

Takemura said he expects the International Monetary Fund to ask the U.S. to raise its interest rates as a way to halt the dollar's steep fall. There is no consensus yet on how to reform the present floating foreign exchange system, Takemura said.

The G-7 finance ministers and central bank chiefs, however, will discuss how the system could be improved, including setting a target zone, although there is little hope of anything being decided at the Washington meeting, he said.

Takemura rejected a suggestion floated by some members of the ruling coalition parties to use the German mark, instead of the dollar, for the nation's foreign exchange reserves.

Takemura will leave for Washington on Monday to attend the G-7 meeting and other international financial gatherings and will return to Tokyo on April 28.

Article on U.S. Action on Dollar at G-7

OW2104072195 Tokyo KYODO in English 0707 GMT 21 Apr 95

[By Keiko Tatsuta]

[FBIS Transcribed Text] Tokyo, April 21 KYODO—Japan appears ready to strongly press the United States for prompt dollar-defending actions when finance officials from the Group of Seven (G-7) industrialized nations meet in Washington next Tuesday [25 April].

Finance ministers and central bankers of the G-7 countries—Britain, Canada, France, Germany, Italy, Japan and the U.S.—are expected to explore ways to strengthen foreign exchange coordination as the dollar has continued to hit new global lows against the yen.

When the finance officials last met in early February, the dollar was hovering around the mid-99 yen level but has since dropped sharply, at one point falling below the 80 yen line before bouncing back slightly.

In a bid to support the slumping U.S. currency, Germany cut its key rate in late March and Japan followed suit in mid-April while announcing an emergency economic package to curb the high yen.

Washington, though, remains negative over urgent steps to prop up the dollar with U.S. President Bill Clinton saying because governments are limited in short-run measures regarding currency values, the goal of a stronger dollar must be accomplished through fundamental steps like federal deficit reduction.

Apparently displeased with Clinton's remarks, Finance Minister Masayoshi Takemura said interest rate revision and joint intervention in currency markets are important and effective as short-term policies to stabilize foreign exchange rates.

Takemura told reporters he will sound out U.S. monetary authorities on the possibility of raising interest rates, a key factor to shore up the dollar's value.

Takemura is seemingly expecting backup from the International Monetary Fund (IMF) in urging a U.S. rate hike, saying that at the G-7 meeting "the IMF might touch on U.S. monetary policy, too."

IMF Managing Director Michel Camdessus said in a recent statement welcoming Japan's rate cut after a similar move by Germany, "I believe it is now opportune for the U.S. to complement these actions by raising its short-term interest rates."

"Saying it is the U.S.'s turn, Japan will naturally ask them (U.S. monetary authorities) for concerted market intervention and a hike in interest rates," said Masaru Takagi, chief economist at Fuji Research Institute.

The U.S. has not gone all-out so far to intervene in currency markets to support the dollar, Takagi said.

The point is whether this time the U.S. will comply with Japan's request, Takagi said, while noting the markets are waiting for specific actions, not abstract discussion.

However, because Japanese and U.S. finance chiefs failed to work out concrete dollar-defending steps last Sunday in Bali, Indonesia, and given recent comments by U.S. Commerce Secretary Ron Brown, action by Washington is not expected, Takagi said.

Japan-U.S. auto negotiations under the bilateral trade framework talks have deadlocked, pushing down the dollar to a new global low of 79.75 yen at one point in Tokyo.

Brown said, however, U.S. policy on auto trade with Japan will not be affected by currency market trends.

Takagi said regardless of U.S. actions, Japan must concern itself with a political settlement of the framework talks.

Given its huge surplus, Japan should accept numerical targets to some extent, such as specific import amounts of U.S. automobiles and auto parts, Takagi said.

"Setting a target is a kind of managed trade and not necessarily advisable, but in this emergency with Japan's economy in a critical situation, bluffing will not yield any good result," he said.

The government should also flesh out the economic package, such as compiling a drastic supplementary budget and implementing substantial deregulations swiftly, Takagi said.

Takagi warned that without such steps, the dollar could stabilize at the below the 80 yen line and then Japan's economy might stall.

"We won't be satisfied with 85 yen...We want to see the dollar go back to 95 yen or desirably to 100 yen," he said.

Bank of Japan Governor Yasuo Matsushita joined Finance Minister Takemura in calling for the U.S. to cut its budget deficit as a way to reverse the dollar's weakness.

"The U.S. budget deficit will be a major theme on the G-7 agenda," Takemura said, expecting backing from European nations.

Some cabinet members have blamed the U.S. for failing to fulfill its responsibility as the nation with the key international currency.

However, Toyoo Gyohten, chairman of the Bank of Tokyo, said Washington's role in the field of currency coordination has been on the decrease.

That decline in U.S. economic leadership has caused global insecurity, said the former vice finance minister for international affairs.

"I won't ask the U.S. to become what it used to be 40 years ago, but the problem is that the U.S. does not recognize reality," Gyohten said.

Murayama Further Vows To Arrest Strong Yen

OW2004140595 Tokyo KYODO in English 1136 GMT 20 Apr 95

[FBIS Transcribed Text] Tokyo, April 20 KYODO—Prime Minister Tomiichi Murayama vowed Thursday [20 April] to push plans to front-load the five-year economic deregulation program as part of efforts to arrest the yen's rise on the foreign exchange market.

Murayama made the pledge at a meeting of the House of Councillors budget committee held to discuss ways of controlling the yen's appreciation.

The deregulation program was part of a package of measures that the government had recently worked out to prevent the yen's rise.

Murayama said he will confront the plunging dollar with strong resolve and carry out all the measures he has pledged in connection with the yen's surge.

Finance Minister Masayoshi Takemura told the panel the government will work hard to quickly pare down Japan's current-account surplus, although it has failed to set a numerical target.

International Trade and Industry Minister Ryutaro Hashimoto noted that the government vowed in its package to reduce the surplus even by issuing deficit-covering bonds.

Earlier Thursday, Murayama told the Budget Committee of the House of Representatives that the United States is reluctant to push dollar-supporting policy coordination with Japan because there is a "gap in the relative pain" Japan and the U.S. feel in the face of a plunging dollar.

Murayama was answering questions on growing criticism among Japanese politicians that the U.S. has been half-hearted in arresting the dollar's slide.

But Murayama added he believes the U.S. "has made appropriate efforts to ensure the dollar will receive proper appraisal as the (global exchange system's) central currency."

A string of full dollar-supporting interventions by the Bank of Japan in recent weeks contrasted sharply with limited-scale action by the U.S. Federal Reserve.

Murayama also rejected criticism that the government's package to block the yen's further ascent lacks the substance to stimulate the economy and open the market to foreign access.

The package "has received some positive appraisal as it has pointed to the direction (of policies) that Japan should pursue steadfastly," he told the committee.

The premier spurned a demand from a member of the opposition Shinshinto (New Frontier Party) that his cabinet resign en masse to take the blame for failing to produce effective steps to shield the Japanese from the adverse impact of the yen's rampage.

'Passive' U.S. Response to Surging Yen Seen

OW2104105295 Tokyo KYODO in English 1028 GMT 21 Apr 95

[FBIS Transcribed Text] Tokyo, April 21 KYODO—Dissatisfaction is growing within the ruling Liberal Democratic Party (LDP) over a passive response from the U.S. Administration to help quell the yen's appreciation, party sources said Friday [21 April].

The sources said the discontent was fueled by the yen's continued rise despite a package of emergency economic measures announced by the government last week.

The LDP is the largest party in the ruling coalition, which also includes the Social Democratic Party [of Japan] and New Party Sakigake.

The LDP sources expressed concern that the cool reaction from Washington may cast a shadow on overall relations between Japan and the United States.

U.S. President Bill Clinton has so far refused to take steps against the rising yen, claiming Japan's automobile market is guarded by protectionism.

The sources said the Clinton administration apparently is using deadlocked negotiations on automobile and auto parts trade as leverage to pry open the Japanese market and press for further deregulation.

Former Postal Minister Shunjiro Karasawa, speaking to the House of Representatives Budget Committee on Thursday, urged the government to change part of 140 billion dollars worth of foreign exchange reserves into the German mark.

A senior LDP official said the yen's appreciation has deflated the value of Japan's foreign exchange reserves by about 2.8 trillion yen.

Karasawa's remark is aimed at fanning a sense of crisis in the U.S. over the declining value of the dollar, the sources said.

Japan's switch to the German mark will trigger dollar selling in other countries in Asia, forcing the U.S. to raise interest rates as a dollar defense measure, the sources said.

The sources said the LDP will work on the U.S. Government to change what it sees as an "inward-looking" posture concerning the foreign exchange issue.

Poll: Exporters To Procure More Foreign Goods

OW2004121595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Apr 95 Morning Edition p 1

[FBIS Translated Text] Japanese companies are now focusing on procurements from overseas markets to cope with the yen's sharp appreciation, according to a NIHON KEIZAI SHIMBUN survey conducted on 6 April. The majority of 100 major exporting companies surveyed said they attach more importance to expanding material imports, overseas production, and price increases rather than business rationalization and yen-denominated exports. The survey shows the companies and their subsidiaries have no more margins of rationalization to cope with the high yen rate of below 85 yen to the dollar. A considerable number of respondents consider expansion of yen-denominated exports would be difficult because they are losing competitive power in international markets. Some companies are beginning to consider pulling out from unprofitable business fields. Since most of the companies drew up their fiscal 1995 business plans based on the yen rate estimated at 95 yen to the dollar, they will certainly have to revise their profit projections lower.

In response to asking about strategies to survive the yen surge (allowing plural answers), 65 out of 81 eligible respondents said they will increase procurement of foreign-made parts and raw materials. This was followed by expansion of overseas production (59 companies) and increases in commodity prices (58 companies). Eleven companies even said they would have to withdraw from unprofitable business fields. Daicel Chemical Industries, Ltd. said it will "use more foreign currencies earned by exports to purchase raw materials."

Earlier, Kyocera Corporation Chairman Kazuo Inamori advocated "raising dollar-denominated commodity prices" to cope with the yen surge. In our survey, however, companies clarified their stances to make the most of imports from overseas markets rather than price increases.

About 14 percent of respondents said the ratio of their fiscal 1994 yen-denominated exports to total exports increased from three years ago, while 19 percent said their yen-denominated exports decreased, and 46 percent said they remained unchanged. According to International Trade and Industry Ministry statistics, the ratio of yen-denominated exports to Japan's total exports reached its peak of 42.7 percent in March 1993, but the figure dropped to 39.7 percent in September 1994.

Despite the yen's appreciation, exporters are not really heading for yen-denominated transactions as they are losing competitive power in the international market. Not a few companies said "we are increasing dollar-denominated exports because they cannot maintain competitive power in yen-denominated dealings." Mori Seiki Co., Ltd. said "we stopped yen-denominated exports" to avoid exchange risks for overseas dealers.

Companies with high competitive power, such as Fanuc Co., intend to expand their yen-dominated exports. Komatsu Ltd. said "50 percent of our exports will be yen-denominated in fiscal 1995" (while the fiscal 1994 rate was 25 percent) (as noted by President Tetsuya Katada). Mitsubishi Electric Corporation said: "We would like to further expand the ratio of yen-denominated exports from the current level of 40 percent" (as noted by President Takashi Kitaoka). However, these were minority opinions.

As the yen-dollar rate rises to the 85-yen level, most companies are having difficulties in securing profits from exports. In response to a question asking break-even points of exchange rates, only one company said it can make profits with the yen at 85 yen to the dollar, and four said the 90-yen level is acceptable.

BOJ: Economic Outlook Clouded by Strong Yen

OW2104090795 Tokyo KYODO in English 0902 GMT 21 Apr 95

[FBIS Transcribed Text] Tokyo, April 21 KYODO—The yen's recent surge against the dollar has made Japan's economic outlook "rapidly" uncertain, the Bank of Japan (BOJ) said in a quarterly outlook report Friday [21 April].

The economy remains on a moderate recovery track, aided by smooth production and income growth, but its momentum toward a full-scale recovery has yet to appear with the pace slowing "conspicuously," the report said.

Following the yen's unchecked ascent in the recent past, "economic uncertainty increased rapidly," it said.

The central bank said the strong yen is likely to accelerate the nation's current economic restructuring, such as "price destruction" and balance-sheet adjustment, helping curb business growth, especially at nonmanufacturers.

As a result, exports and imports may be negatively affected while a pickup in corporate earnings and business sentiment will be reversed, the report said.

The recovery pace, which has already slowed, is feared to be curbed further, leading to an economic setback, it said.

The BOJ report said domestic wholesale prices, which are staying lower amid a weak economic recovery and falling import prices, are likely to drop further.

Consumer prices will also stay at a level a bit above a zero growth, thanks to continued price cutting, especially among imported products, the Bank of Japan said.

Japan's current-account surplus will probably shrink moderately, due to slack export growth and markedly high import increases, it said.

The central bank's policy of guiding short-term money rates significantly lower and the latest cut in its discount rate to a record low of 1 percent are expected to produce desired effects on the overall economy, contributing to securing a sustained recovery, it said.

Banks To Cut Prime Rates by 0.375 Points

OW2004052695 Tokyo KYODO in English 0316 GMT 20 Apr 95

[FBIS Transcribed Text] Tokyo, April 20 KYODO—Three major commercial banks said Thursday [20 April] they will cut their short-term prime lending rates by 0.375 percentage point to 2.375 percent per annum from next Tuesday.

The banks are Dai-ichi Kangyo Bank, Asahi Bank and Sanwa Bank.

The rate is charged on loans of up to one year to the banks' most creditworthy corporate borrowers.

On Wednesday, Fuji Bank announced it will cut its short-term prime rate by by the same margin to the same level.

The banks cut their rates following the Bank of Japan's 0.75 percentage point cut in the official discount rate to yet another historic low of 1.0 percent per annum last Friday. The rate is charged on central bank loans to commercial banks.

BOJ's Rate Cut Expected To Sustain Recovery

OW2104115795 Tokyo KYODO in English 1141 GMT 21 Apr 95

[FBIS Transcribed Text] Tokyo, April 21 KYODO—With the yen's rapid surges increasing uncertainty over Japan's economic outlook, the Bank of Japan's recent rate cut is expected to help sustain the economic recovery, the central bank said Friday in a quarterly report on the economy.

Even after the rate cut, however, the pace of recovery is likely to remain moderate due to the continuing weak rebound in domestic demand and possible negative effects of external demand, given the yen's continuing appreciation, the central bank said.

Kunihiko Takeshima, director of the central bank's Research and Statistics Department, said, "We reduced the official discount rate in the hope of achieving a moderate economic recovery by fending off risks that a recovery might be spoiled due to excessive rises of the yen's value."

The report cited two concerns about the recovery's failure to gain momentum.

Nonmanufacturers' growth is likely to be restrained by structural factors, such as adjustment of industrial structure and so-called "price destruction" or declining prices amid the growing industrialization of east Asian nations, the report said.

In addition, the yen's recent fast appreciation may accelerate these structural adjustment moves, affect external trade and put the brake on improvement in corporate earnings and confidence.

Takeshima said the latest big changes in economic outlook led the Bank of Japan to cut the official discount rate by 0.75 percentage point to 1.0 percent per annum April 14, following its move at the end of March to lead short-term money rates sharply lower.

The central bank's judgment of present economic conditions basically remains unchanged, Takeshima said, reiterating that the nation's economy is continuing to recover moderately.

Despite temporary dips due to the Jan. 17 Great Hanshin Earthquake in western Japan, industrial production and private consumption are returning to the recovery path, maintaining a forward-looking cycle on the axis of production and income, the report said.

However, gaps in business conditions among industries and companies have expanded under the pressures of structural adjustment, it said.

Takeshima said the existence of such spotty situations has made the tempo of economic recovery slow.

Asked about the impact on the economy of the January earthquake, Takeshima said it will have positive effects over the short run by stimulating demand for reconstruction projects.

"But we cannot take our eyes off its possible minus effects," he said, since the impact of negative assets worth 10 trillion yen might drag on corporate investment and household spending over a long period of time.

As to the external balance, the Bank of Japan said the trade and current account surplus is likely to remain on a moderate downward trend and the growth of exports may slow while imports are expected to continue rapidly increasing, even discounting the "reverse J- curve effects" of the yen's appreciation.

Prices will continue on a weaker note due to the limited strength of the economic recovery and remaining gaps in supply and demand in domestic markets, as well as lower imports amid the yen's rises, it said.

Since the key rate cut, interest rates have sharply lowered on a broad front, including deposit and lending rates, it said.

The central bank expects lower interest rates to boost fund demand for capital and housing investment and to bolster corporate earnings, then to increasingly help shore up the economy financially, it said.

Despite sluggish bank lending, monetary aggregates have gradually increased, partly because the financial sector, including institutional investors, has increased its holdings of government bonds, it said.

It forecasts the year-to-year growth rate of the money supply—cash in circulation, time and demand deposits, plus certificates of deposit (CDs)—To stand at around 3 percent in the April-June quarter, similar to the previous quarter.

Tokai Bank Sets Up Derivatives Subsidiaries

952A0477A Tokyo ZAIKAI TEMBO in Japanese Apr 95 pp 186-187

[Unattributed article]

[FBIS Translated Text] **Tokai Bank Sets Up Derivatives and Securities Subsidiaries, Stressing Local Ties and More International Trading**

The securities subsidiary of Tokai Bank (bank president Satoru Nishigaki) finally opened for business in March. A month earlier, Tokai Bank also marked the opening of its derivatives subsidiary in London. Having been given the highest triple-A bond rating, this subsidiary has been attracting a great deal of attention.

With clients having increasingly more advanced, diversified investment and fund-raising needs, an important point of strategy in Tokai Bank's 10th long-term management plan, which is slated to go into effect this April, is to strengthen its investment banking services and further build up its securities and derivative services. The recent establishment of both Tokai International Securities and Tokai Derivative Products can be seen as the first step toward putting this strategy into action.

In an address at the beginning of this year, Tokai Bank President Nishigaki said of 1995, "This is the year to move steadily forward to resolve numerous difficulties which couldn't be attended to before." In showing his determination to do so, Nishigaki told his listeners he would like to confront these difficulties "straight-on, with the youthful spirit of spring."

When he became president of the bank last June, Nishigaki promised to "improve cost competitiveness and raise Tokai's rating to a level on the par with Japan's top banks." Credibility [as shown in such ratings] is the lifeline for financial institutions.

Because the risks are especially high in the fast-growing derivative trade (in swaps and options, for example) when parties fail or go bankrupt, a move has started among risk-vigilant European and U.S. financial institutions to choose their partners automatically on the basis of their rating. **Derivative Subsidiary Starts Out With Top Rating**

Derivative trading has been a very important theme for Tokai Bank, and it has put its energies into the research and development and sales of various financial products and is now in the process of completing its risk management system. Having had the highest three consecutive term earnings of any local, Japanese-affiliated securities subsidiary in London, its Europe Tokai Bank Group (Europe Tokai Bank, Tokai Capital Markets) has earned high marks from the market as well as local authorities.

Having earned the top triple-A bond rating, Tokai Derivative Products (TDP), the derivatives trading subsidiary formed in January in London by Tokai Bank, is also garnering a lot of attention by those in the Japanese banking business.

TDP was started with 16 members, including directors, and 100 million pounds (about 15.5 billion yen) in investment funds from Europe Tokai Bank and Tokai Capital Markets, Tokai Bank's local subsidiaries in Europe.

Even U.S. and European securities firms have produced very few overseas derivative subsidiaries with triple-A ratings; Tokai Bank is the first among the Japanese banks to do so.

In giving a triple-A rating, rating agencies look for risk controls based on a highly developed, detailed risk model system, and evidence of sound financial management.

Risk models based on "Monte Carlo simulation" are well respected. Such models incorporate market price fluctuations as well as probabilities that the other party will be unable to meet his obligations. Such systems will determine whether or not sufficient capital is available in the worst case scenario.

Tokai Bank finally completed its system last spring after getting the advice of overseas specialists and spending a year and a half on its development.

Tokai Bank's triple-A rating gives it the credibility to trade freely on the derivatives market without the restraints that might hamper more poorly rated traders, and makes it possible for the bank to offer its customers more attractive products.

Specifically, an improved derivatives capability translates into more business for the bank in foreign bonds, which are used in swaps, and in risk advisory services, which the Tokai Bank Group is in the process of developing, and means being able to respond flexibly to the needs of domestic customers in issuing securities and in hedging risks.

Tokai Bank considers its subsidiary's triple-A standing "a very important strategy for providing high-quality financial services to domestic and overseas customers," and its direction is to further promote the derivative services it has put its energies into.

Head Office of Securities Subsidiary To Be Located in Nagoya

Tokai Bank's domestic securities subsidiary, which was formed on 24 January, on the other hand, is opening for business in March. The new firm's name is Tokai International Securities.

Not only did President Nishigaki put a lot of his own thought and energy into naming the company, the help of Tokai's European subsidiary's foreign staff also seems to have been enlisted.

With its head office in Nagoya's Naka ward and its Tokyo branch office in the capital's Chuo ward, the firm will have 30 billion yen in capital, including 10 billion yen in capital reserves. Shuzo Sato, Tokai Bank's former managing director, assumes the office of president. The firm commences business with a staff of 93 full- and part-time workers.

Tokai Bank is the first bank to locate its securities subsidiary outside of Tokyo. Most of its derivatives business will be in Tokyo, while bond underwriting will be handled primarily in its Nagoya office. The derivatives division is expected to receive two experienced hands in derivative trading from the Europe Tokai Bank.

The decision was made to locate the main office in Nagoya "near its main operating base," says a source, "since its main business will be underwriting bonds," indicating the priority that has been given to business with local enterprises with whom deep ties have been formed. In other words, the bank has made clear its position to stress the importance of local business, and seems to want to show its strength through services like underwriting corporate bonds.

Taking advantage of a dual based system—locating its subsidiary headquarters in Nagoya while making its Tokyo branch its base for bond transactions—Tokai Bank expects to be able to create a profitable position for itself by underwriting corporate bonds for local enterprises.

Tokai International Securities is fully prepared to make its debut as a securities subsidiary which is able to strengthen ties to overseas operating bases within the group and aggressively make use of leading financial technology while also having an accumulated body of know-how in the securities business.

For the time being, bank-affiliated securities firms, unable to handle stocks, will be limited to the sale and underwriting of government and corporate bonds. Thus it seems that these early securities subsidiaries are putting their energies into underwriting straight bonds and yen-denominated foreign bonds (samurai bonds) and that much of their underwriting business will come from enterprises with strong ties to parent companies.

In its own case, Tokai Bank boasts a network so extensive it can be said that "nowhere in the central Honshu region is there a large, powerful enterprise that isn't doing business with it," and this network is sure to be made the most by Tokai International Securities.

Tokai Bank also has many personal ties with local enterprises, and it looks like these ties, too, will work to the advantage of Tokai International Securities in its development.

Speaking of these personal ties with local enterprises, a bank source notes the important role [this subsidiary] has "in strengthening customer and business relationships and, with the special expertise it has, its usefulness in public offerings of stock."

The central Honshu area around Nagoya is a region densely populated by numerous manufacturing businesses. With national projects like the Aichi Prefecture international exposition and the construction of a new international airport in central Honshu being promoted for the region, this area holds a great deal of potential as Japan's third largest economic region after Tokyo and Osaka.

Tokai Bank, which has already played an important role in the economic revitalization of the central Honshu area, can be expected to strengthen its local ties even further as it augments its existing banking services with the inauguration of its new securities subsidiary.

With the development of its new company, it will likely make the very most of its broad overseas network and the know-how it has gained in international derivatives trading.

European Auto Association Opens Tokyo Office

OW2004140195 Tokyo KYODO in English 1143 GMT 20 Apr 95

[FBIS Transcribed Text] Tokyo, April 20 KYODO—The European Automobile Manufacturers Association said Thursday [20 April] it has set up a representative office in Tokyo to strengthen the hold of European carmakers in the Asian market.

The office is to step up its lobbying activities in Japan, particularly pressing the Japanese Government to ease regulations and take further favorable measures for imported cars, association officials said.

They said the move is also to take advantage of the current trend in the Japanese market of a growth in imported cars in the wake of the strong yen on foreign exchange markets.

The office's immediate task is to hold regular meetings with officials of the Transport Ministry and others on adjustment of pre- sale tests procedures on automobiles between Japan and Europe, they added.

It is the first overseas office established by the association.

Source: GATT Rules Against EU on Tariff

OW2104121595 Tokyo KYODO in English 1200 GMT 21 Apr 95

[FBIS Transcribed Text] Tokyo, April 21 KYODO—A troubleshooting subcommittee set up by the General Agreement on Tariffs and Trade (GATT) has concluded that the European Union's (EU) imposition of antidumping tariffs on Japanese audiocassette tapes violates GATT rules, informed sources said Friday [21 April].

The subcommittee concluded in a report that the EU's finding of discrepancies between domestic and export prices of Japanese tapes, which led to the imposition of the tariffs, was based on an unfair calculation method, the sources told KYODO NEWS SERVICE.

The subcommittee decision will be formalized if adopted by GATT's antidumping committee at its meeting in Geneva in June, they said.

The EU in 1991 imposed tariffs of 15.2 to 25.5 percent on imports of Japanese-made audiocassette tapes on the grounds that they were being "dumped" or sold at unfairly lower prices.

Japan then filed a complaint with GATT which established the subcommittee in October 1992 to study the case.

GATT was replaced by the World Trade Organization in January this year. But GATT will remain in force for a year to handle trade disputes brought to it before January.

Murayama To Ask PRC To Halt Nuclear Tests

OW2004141295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Apr 95 Morning Edition p 2

[FBIS Translated Text] Prime Minister Tomiichi Murayama firmed up his intention to request that China suspend its nuclear tests. He will do this in meetings, slated to be held in Beijing on 3 May, with President Jiang Zemin, Premier Li Peng, and other top Chinese officials. At the same time, Murayama plans to express his concern about China's defense expenditures, which are growing every year, and to ask China to improve the transparency of its defense budget in order to help its neighbors eradicate their concerns about China.

The prime minister will leave for China on 2 May. In addition to meeting with President Jiang Zemin and other Chinese officials on 3 May, Murayama is scheduled to visit Xian and Shanghai. He will come home on 6 May. This will be his first trip to China since he became prime minister and will be the first visit by a Japanese prime minister since former Prime Minister Morihiro Hosokawa visited there in March of last year. Murayama decided to convey his concern about China's nuclear tests and defense expenses to the Chinese officials because he thinks that "Japan-China relations have matured and it is necessary to say what Japan has to say to China, which is very influential in the Asia-Pacific region," (according to Murayama's close associate). Foreign Minister Yohei Kono, in his speech at the New York conference to review and extend the nuclear Nonproliferation Treaty [NPT], asked China to halt its nuclear tests.

Since the nuclear states, including the United States, are suspending their nuclear tests, Murayama will ask China to exercise self-restraint on its nuclear tests. At the same time, he wants to obtain China's understanding for the indefinite extension of the NPT.

Regarding the Spratly Islands issue, over which tension is growing between China and the Philippines, Murayama plans to explain Japan's stand of hoping the two countries will seek a peaceful settlement.

Matushita, PRC Firm Sign 20-Year Contract

OW2004132295 Tokyo KYODO in English 1201 GMT 20 Apr 95

[FBIS Transcribed Text] Osaka, April 20 KYODO—Matsushita Electric Industrial Co. said Thursday [20 April] it has signed a 20-year contract with a Chinese concern to set up a joint company in Beijing for assembly and sales of film condensers, parts used in audiovisual equipment, beginning in August 1996.

The new company, named Beijing Matsushita Precision Capacitor Co., with capital of 1.3 billion yen, is 60 percent owned by the Osaka-based electronic giant and the remainder by the Chinese firm, company officials said.

The project is in line with the Chinese Government's policy of encouraging domestic assembling of audiovisual equipment, the officials said.

Beijing Matsushita Precision Capacitor, to be established in Mayas Matsushita's 20th production base in China, is expected to start production with an annual sales target of 1.5 billion yen in fiscal 1998, which begins in April 1998, they said.

Ministers Cautious About SDF to Golan Heights

OW2104060495 Tokyo KYODO in English 0442 GMT 21 Apr 95

[FBIS Transcribed Text] Tokyo, April 21 KYODO—Cabinet ministers expressed negative views Friday [21 April] on Japan's participation in UN Peacekeeping Operations in the Israeli-occupied Golan Heights, Foreign Minister Yohei Kono said.

Kono told a press conference that, during talks after a regular cabinet meeting, many cabinet ministers took a cautious stance on the dispatch of members of the nation's Self-Defense Forces [SDF] to join a UN Disengagement Observer Force (UNDOF) in the area.

The ministers' discussion followed the return of fact-finding missions from the government and the ruling coalition parties sent earlier to study UN Peacekeeping Operations in the Golan Heights.

The missions submitted reports to Chief Cabinet Secretary Kozo Igarashi in which both voiced support for Japan's participation in UN peacekeeping activities in the Middle East.

Kono said opposing opinions by the cabinet ministers were mostly based on "misunderstandings."

As one example, Kono quoted Transport Minister Shizuka Kamei as questioning why Japan should send troops to the Golan Heights "when Canada and the United Nations have not requested Japan to go there."

Kono countered that Canadian Foreign Minister Andre Ouellet and UN Secretary General Butrus Butrus-Ghali both expressed the expectation that Japan will dispatch its troops when he met officials in New York earlier this week.

The UN wants Japan to replace Canadian UNDOF members whose transport duty is set to expire this summer.

Kono also said Kamei, and Tsuruo Yamaguchi, head of the Management and Coordination Agency, cited "differences" between the UN Peacekeeping Operations in the Golan Heights and those in Cambodia and Mozambique, in which Japan participated, because the operations in Golan may be long-term.

Kono said the period of the peacekeeping operations in the region is closely related to the Middle East peace process but that the length of Japan's participation is a different question.

Home Affairs Minister Hiromu Nonaka was quoted as saying the Golan Heights is in "the middle of the world's gunpowder magazine."

Finance Minister Masayoshi Takemura reportedly said he fears sending Japanese forces to the Golan Heights would lead to the lifting of a ban on Japan's participating in peacekeeping operations which require the use of arms to separate warring troops to enforce a cease-fire.

Ministers expressing positive views on the dispatch of Japanese troops were Trade Minister Ryutaro Hashimoto, Defense Agency Chief Tokuichiro Tamazawa and Environment Agency Chief Sohei Miyashita, himself a former Defense Agency Chief, Kono said.

Miyashita said Japan has already pledged to make contributions to peace in the world when it enacted the law in 1992 enabling limited overseas deployment of Self-Defense Forces personnel to assist in UN Peacekeeping Activities.

Hashimoto recommended the dispatch, saying the Middle East peace process is important, while Tamazawa said the government should first confirm whether the mission in the Golan Heights meets the five conditions of Japan's Peacekeeping Cooperation Law.

The five conditions include the existence of a cease-fire, acceptance of the peacekeeping operations by the warring parties and the neutrality of the peacekeeping activities in the area.

Japan has sent peacekeeping troops to Cambodia and Mozambique, and has participated in humanitarian activities in Goma, Zaire, to help Rwandan refugees.

SDPJ Drafts 'Vision' for Foreign Policy

OW2104132895 Tokyo KYODO in English 1258 GMT 21 Apr 95

[FBIS Transcribed Text] Tokyo, April 21 KYODO—The ruling Social Democratic Party [of Japan] (SDP) will advocate creation of a new community in the Asia-Pacific region with an open-door policy as a vision for the nation's foreign policy, party officials said Friday [21 April].

The SDP's special panel on Japan's international cooperation and reforms in the United Nations, headed by former Transport Minister Shigeru Ito, compiled a draft titled "Vision 21" that is expected to become the basis for the party's new foreign policy.

Holding as a basic ideology Japan as a "humanistic nation," the draft addresses visions in three categories—Asia, the UN and humanity.

For Asia, the SDP proposes that the East Asia Economic Caucus (EAEC) be set up within the Asia-Pacific Economic Cooperation (APEC) forum as a consulting body for nations that do not belong to the North American Free Trade Agreement (NAFTA).

It also calls for establishment of a new forum for security dialogue concerning the Korean peninsula and northeast Asian nations.

Japan should create reform by integrating the UN peacekeeping cooperation law and the international emergency assistance law, it says.

The nation should also allocate "peace dividends" by supporting development in nations that favor nuclear disarmament.

Concerning the U.N., the SDP draft calls for abolishing a provision that prohibits reelection of nonpermanent UN Security Council member countries.

Establishing a semipermanent Security Council member without veto power should also be considered, it says.

As a midterm UN reform, the draft calls for creation of a UN standing army as well as regional stand-by army to deal with UN peacekeeping operations.

Addressing its vision for humanity, the SDP proposed that Japan urge nuclear powers to reach an accord on a new comprehensive treaty to prevent nuclear experiments. Such a treaty should be signed in Hiroshima or Nagasaki, it said.

Quake Causes Public Spending To Hit Record

OW1904121295 Tokyo KYODO in English 1203 GMT 19 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 KYODO—The government's spending on construction work is likely to hit a record high in fiscal 1995, which began in April, due to the huge cost involved in reconstruction after Jan. 17 Great Hanshin earthquake, the Construction Ministry said Wednesday [19 April].

The government's public works spending will reach 37.89 trillion yen, up 2.8 percent in the current fiscal year from the previous year, surpassing the current record of 37.67 trillion yen registered in fiscal 1993.

A total of 7.98 trillion yen has been earmarked for quake reconstruction in the fiscal 1995 budget and in the second supplement to the fiscal 1994 budget.

The planned public works spending is estimated to expand demand in the private sector, giving a 1.2 percentage point boost to the country's gross domestic product (GDP) growth, the ministry said.

Private-sector construction investment, meanwhile, is expected to amount to 44.94 trillion yen in fiscal 1995, a 0.8 percent gain from fiscal 1994 with investment in housing projects declining 1.6 percent to 24.84 billion yen, including those in the quake-hit Hanshin area, the ministry said.

Private-sector investment in nonhousing construction projects is expected to rise 4.0 percent to 20.10 trillion yen, it said.

MOFA Cites FY94 Grants-In-Aid Figures

OW2004115695 Tokyo KYODO in English 1112 GMT 20 Apr 95

[FBIS Transcribed Text] Tokyo, April 20 KYODO—Japan's grants-in-aid to developing countries reached 249.3 billion yen in fiscal 1994, marking an increase of 2.5 percent from the previous year, Ministry of Foreign Affairs [MOFA] officials said Thursday [20 April].

Japan provided grants-in-aid for 735 projects in 105 countries and one territory and eight groups dealing with refugee problems in fiscal 1994 ended March 31, the officials said. The aid in the previous year was 243 billion yen.

More than 49 percent of the Japanese aid went to Asian countries, and nine of the top 10 recipients were Asian countries, they said.

Cambodia was the top recipient, getting 11.8 billion yen, followed by the Philippines at 11.5 billion yen and Egypt at 8.4 billion yen.

New recipients of the Japanese aid in fiscal 1994 were Uzbekistan and Kyrgyzstan, receiving 1.6 billion yen and 1 billion yen respectively.

Projects designed to improve the recipient countries' public welfare and environment got the largest amount of the Japanese aid at 46 billion yen for 62 projects, the officials said.

The amount accounted for more than 37 percent of the total aid, they said.

The percentage of Japanese grants-in-aid extended to least developed countries increased by 7.1 percentage points to 52.4 percent.

FY94 Auto Production, Sales Figures Cited

OW2004084495 Tokyo KYODO in English 0749 GMT 20 Apr 95

[FBIS Transcribed Text] Tokyo, April 20 KYODO—Auto sales by Toyota Motor Corp. and Nissan Motor Co. turned up in fiscal 1994, reflecting brisk demand in the last three months of the year, the carmakers said Thursday [20 April].

Domestic sales of passenger cars, buses and trucks, including those produced overseas, increased 1.9 percent to 2,062,148 vehicles at Toyota, the first gain in four years, while sales at Nissan grew 1.3 percent to 1,080,793 vehicles, the first rise in five years, they said.

Domestic production also posted the first growth in four years at Toyota, climbing 1.2 percent to 3,502,212.

At Nissan, output fell 9.2 percent to 1,589,393, marking the fourth running yearly decline.

Overseas production gained 22.3 percent to 1,111,133 at Toyota and 9.8 percent to 1,090,376 at Nissan, topping the 1 million mark for the first time for both firms.

The rising overseas production reflected the yen's rapid appreciation against the dollar during the reporting year, the two carmakers said.

Exports declined 2.1 percent to 1,441,023 at Toyota, slipping below the previous year levels for the fourth year in a row.

Nissan suffered a 3.0 percent decrease to 611,215 in exports, the third consecutive yearly slide.

For March, Toyota reported production of 349,346, up 0.9 percent from a year before, with domestic sales of 300,984, up 5.9 percent, and exports of 120,500, down 11.3 percent.

Nissan said its March production amounted to 173,478, up 8.2 percent, domestic sales totaled 171,389, up 14.9 percent, and exports came to 50,713, down 6.3 percent.

Steelmakers Plan Drop in Capital Spending

OW2004144695 Tokyo KYODO in English 1127 GMT 20 Apr 95

[FBIS Transcribed Text] Tokyo, April 20 KYODO—Japan's five leading steelmakers plan to spend less money on facilities and equipment in the business year ending next March than in the previous year, the 3rd straight yearly decline, company officials said Thursday [20 April].

The five steelmakers are Nippon Steel Corp., NKK Corp., Kawasaki Steel Corp., Sumitomo Metal Industries Ltd. and Kobe Steel Ltd.

Their combined planned capital spending will shrink 2.5 percent in the business year from the previous year to 499 billion yen, the officials said.

Under the plans, the Japanese steelmakers will try to reduce production and cut back on labor costs in fiscal 1995—the final year of their mid-term restructuring program in the wake of nearly four years of recession, they said.

NKK plans to trim capital spending by 20.4 percent to 39 billion yen, the lowest in 30 years, and Kawasaki is expected to spend 11.8 percent less on facilities and equipment, at 150 billion yen. Nippon Steel is expected to lower its capital spending by 7.7 percent to 120 billion yen, the smallest amount since 1987.

In contrast, Kobe Steel will expand capital spending by 37.9 percent to 80 billion yen because of 31 billion yen to be spent on rebuilding the blast furnace at its Kakogawa plant in Hyogo Prefecture, seriously damaged by the Jan. 17 great Hanshin earthquake. Sumitomo Metal, which was also damaged by the killer quake, is expected to increase its capital spending by 4.8 percent to 110 billion yen.

FY94 Crude Steel Output Tops 100 Million Tons

OW1304104395 Tokyo KYODO in English 0904 GMT 13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Japan's crude steel production in fiscal 1994 increased 4.4 percent from the previous year to 101.38 million tons, topping 100 million tons for the first time in three years, an industry association said Thursday [13 April].

The Japan Iron and Steel Federation said the output in the fiscal year which ended March 31 was the first gain in four years.

At the start of fiscal 1994, Japanese steelmakers projected their aggregate crude steel production at 92 million tons.

Actual production exceeded the forecast because of a pickup in demand from makers of automobiles and household appliances that began last summer, the federation said.

In March, crude steel production climbed 14.1 percent to 8,837,000 tons for the eighth consecutive monthly rise over year-before levels, the federation said.

Production of ordinary steel came to 7.18 million tons, up 14.8 percent, and that of specialty steel increased 11.6 percent to 1.66 million tons, the largest output since July 1991.

For fiscal 1995, crude steel output may reach 100 million tons again as demand related to reconstruction work following the Jan. 17 great Hanshin earthquake is likely to start coming forward in the fall, federation officials said.

Panel Unveils Coal Industry Reorganization Plan

OW1804124095 Tokyo KYODO in English 1201 GMT 18 Apr 95

[FBIS Transcribed Text] Tokyo, April 18 KYODO—A trade ministry panel Tuesday (918 April] unveiled a coal industry reorganization program for fiscal 1995, setting the total domestic coal supply at 6.45 million tons.

The Coal Mining Council of the Ministry of International Trade and Industry said the supply project comprises 5.70 million tons produced at three collieries still in operation, down 400,000 tons from the preceding year, and 700,000 tons produced at open-air mines, down 100,000 tons.

The council said 50,000 tons will be drawn from government reserves.

Standard prices have been set at 19,936 yen per ton for coal with 6,000 kilocalories per kilogram and 13,957 yen for that with 5,000 kilocalories, the same as the previous year, the council said.

The ministry has set the domestic coal supply program and standard prices annually since fiscal 1992 to protect the domestic industry, which has lost competitive power against low-priced imports.

MITI Launches Probe Into Asian Textile Imports

OW2104060095 Tokyo KYODO in English 0518 GMT 21 Apr 95

[FBIS Transcribed Text] Tokyo, April 21 KYODO—The Ministry of International Trade and Industry (MITI) launched a probe Friday of certain Asian textile imports that could lead to Japan's first curbs on imports of industrial manufactured goods.

At the request of industry groups claiming damage from a flood of imported Chinese, South Korean and Indonesian thread and Chinese and Indonesian cloth, MITI chief Ryutaro Hashimoto said his ministry has begun the one-year investigation.

But he expressed hope that the exporting countries would restrict their own exports "to take care of the problems so that a decision does not become necessary."

The investigation, based on MITI rules drawn up in December, will not only cover the damage to domestic industry of the cheap imports but also the effects on consumers and Japan's trade policy if imports are restricted, MITI officials said.

The rules require MITI to complete the investigation within 12 months of Friday's launch, but the officials said the ministry will try to conduct the probe as quickly as possible.

Industry leader Sadao Hirose called the probe "the first step of a policy of making imports orderly," urging that import curbs be launched "as quickly as possible."

"The recent rapid advance of the yen is accelerating imports and forcing the textile industry in an increasingly serious situation," the president of the Japan Spinners Association and of Fuji Spinning Co. said in a statement.

"I strongly hope for the enactment of import restrictions from the viewpoint of allowing the domestic textile industry to remain," he said.

The Spinners' Association sought restrictions on No. 40 count cotton thread imports, while the Japan Cotton and Staple Fiber Weavers Association sought curbs on imported poplin and cotton broadcloth.

If MITI decides to launch the three-year curbs under industry "safeguards" provided in global trading rules, imports would be frozen at previous year's levels for one year and allowed to rise 6 percent for each of the next two years.

MITI does not target any country for the curbs, but its documents show China, South Korea and Indonesia accounted for 78 percent of last year's 45,000 tons of the thread imports, with China alone accounting for 41 percent.

Of the 232 million square meters of the imported cloth, China and Indonesia provided 96 percent, with Chinese imports alone making up 76 percent of the total, the MITI figures show.

MITI rules allow for the curbs to be lifted during the three years if prices surge or if domestic makers do not show they are using the time to make structural adjustments. MITI must be "cautious" in launching subsequent curbs, the rules say.

The ministry decided to launch the probe after a preliminary investigation found import volumes and market share were soaring under the ministry's definitions.

Imports of the No. 40 count thread jumped 89 percent last year, with import share swelling 17 percentage points to 42 percent, MITI said. Domestic production fell 14 percent in the year.

Cloth imports fell 8 percent in 1994 but following a 40 percent surge the year before they remained 28 percent higher than in 1992, MITI said. Domestic production for the two years fell 38 percent.

North Korea

ROK Plans To Import 'Espionage Planes' Noted

SK2104103095 Pyongyang KCNA in English 1019 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—The Kim Yong-sam puppet clique plans to import five to six "EA 2C" latest-type espionage planes from the United States, a Seoul-based radio reported on April 18.

The United States sent arms dealers of the Air Force and the Army to South Korea to inform the puppets of the details of the export of the espionage planes.

While paying lip service to "dialogue" with the North and "reunification," the Kim Yong-sam puppet clique is stepping up arms buildup behind the scene and driving the situation on the Korean peninsula to the brink of war.

U.S.-ROK Stage Joint Aerial 'War Exercise'

SK2104143795 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 21 Apr 95

[FBIS Translated Text] According to military sources, on 19 and 20 April, the U.S. imperialist war maniacs joined hands with the puppets in conducting an adventurous aerial war exercise for northward aggression above Anmyon Island, Oeyon Island, Tongduchon in South Korea. Scores of fighters that took off from overseas bases, and over 1,100 fighter-bombers, assault planes, and reconnaissance planes of the Seventh U.S. Air Force and the puppet air force were mobilized to the provocative war exercise which caused the smell of gunpowder.

This fire game commotion fanatically conducted day and night everyday with the support of an E-3 aerial commanding plane, was an extremely dangerous provocation maneuver aimed at a surprise preemptive attack on the northern half of the Republic. We cannot but regard the war commotion seriously because it was committed concurrently with the announcement of the U.S. imperialist war maniacs and the traitorous Kim Yong-sam clique to hold a joint war exercise, which is a duplicate of the "Team Spirit."

If the U.S. imperialist war maniacs and the South Korean puppets continue to drive the situation of the Korean peninsula toward confrontation and war, running counter to the general trend, the rascals will have to take all the responsibilities for any consequences.

ROK 19 Apr Military Activity in DMZ Reported

SK2104045095 Pyongyang KCNA in English 0425 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—The South Korean puppets brought 90 mm recoilless guns, 12.7 mm machine guns and other heavy weapons and hundreds of soldiers in the southern portion of the Demilitarized Zone (DMZ) in the eastern and central sectors of the front for an operation against the North and a trenching project on April 19, military sources said.

The ceaseless military provocations in the DMZ along the Military Demarcation Line show that the war hysterics of the Kim Yong-sam fascist group against the North has become extreme.

The South Korean puppets must clearly see the trend of the times and act with discretion.

ROK Exercises Intended To 'Block' Negotiations

SK2104142495 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 21 Apr 95

[Kim Ho-sam commentary: "They Better Act With Discretion"]

[FBIS Translated Text] The South Korean puppets' military moves against our Republic are expanding step-by-step. As has already been reported, since this year's "Team Spirit" joint military exercise, which the South Korean puppets begged outside forces to resume, was not realized, the South Korean puppets staged a large-scale joint military exercise by the Army, Navy, and Air Force which was focused on offensive measures, in areas of North Kyongsang Province and in the East Coast of South Korean Kangwon Province, for six days from 3 to 8 April.

Less than a month later, the puppets announced that they will stage a joint military exercise with the mobilization of 13,000-strong U.S. Forces and numerous puppet army troops beginning late April toward mid-May.

On 20 April, the No. 1 radio in Seoul [KBS], referring to an announcement by the Joint Chiefs of Staff [JCS] of the puppet army, reported that it will stage a large-scale military training in October with the mobilization of two corps of the puppet army and another 120,000 troops of the Army, the Navy, and Air Forces.

The JCS of the puppet army said that this exercise is intended to strengthen the puppet army's independent combat capabilities, and announced that the scale of the exercise will be of a similar level to that of the past "Team Spirit" exercise.

The announcement by the South Korean puppets suggests that the maneuvers to lead the situation on the Korean peninsula to the phase of war are expanding step-by-step, and are advancing toward a very grave and reckless phase [maeu omjunghago mumohan tangero nagago ittanun].

This is another unpardonable crime against all Korean people aspiring to peace and peaceful reunification of the Korean peninsula.

As is known to all, this year is the 50th anniversary of the fatherland's liberation and the 50th year since the nation was divided.

Today, all fellow countrymen in the North, the South, and overseas, rose in the sacred cause for reunification by uniting their hearts in order to make this year the first year of national reunification.

However, the Kim Yong-sam group is blocking its grand movement, instead of joining it, and responded with reckless war frenzy. What cursed antireunification villains [akhan] the Kim Yong-sam group is!

Through the current announcement, the Kim Yong-sam group again showed that the dialogue and cooperation raved about by the rascals are total falsehoods and deceptions.

Why then did the South Korean puppets announce that they will stage a war exercise—similar in scale to "Team Spirit"—with the mobilization of enormous 120,000-strong troops? What is their real purpose?

Above all, the hidden intention is to nail [nurumyo] us with a false military show [kunsajogin hose], barge in in the implementation of the DPRK-U.S. agreement, and achieve their insidious political goal. As everyone knows, negotiations are continuing [kyesok hyopsangi porojigo isumnida] between the DPRK and the United States on the implementation of the agreement. The U.S. authorities raised an issue out of some South Korean-style light-water reactors, which are not even qualified as a subject, and are trying to involve [kkuroduriryo] the puppets in the supply of the light-water reactors. Bolstered by this, the puppets danced to the tune and are trying to gain some concessions from the talks by imposing some military pressure on us. However, that is an empty show of the weak.

We regard the South Korean puppets' acts as a crazy dog's barking at a thousand-year-old rock under the moonlight. The puppets' acts designed to threaten us with military exercises are as foolish as trying to move a rock deeply rooted underground with a rotten egg.

The next reason the puppets are already stressing the large-scale military exercise scheduled for October is to obstruct the upcoming Pyongyang International Sports and Cultural Festival. With the festival approaching closer every day, the world is paying more attention to Pyongyang. The International Sports and Cultural Festival to be held in Pyongyang will clearly show our might of the single-hearted unity around the party and the leader [suryong], the superiority of the popular masses-centered socialism of our own style, and the correctness and vitality of our Republic's foreign policy, whose vision is independence, peace, and friendship. This will deal a serious blow to the puppets.

Fearing such a result, the puppets are trying to aggravate the situation of the Korean peninsula at any cost, and give a bad impression to the world's people so as to block their attention to Pyongyang, which is flowing like a large river. However, that is merely an idiot's act like trying to block the sunlight with a palm. Any maneuver of the puppets cannot stop the world people's sentiment toward Pyongyang.

The military exercise commotion of the South Korean puppets only exposes their true color as war fanatics and the enemy of peace and reunification in front of the world. The Kim Yong-sam ring should act with discretion. If the puppets recklessly head toward the road of war despite our repeated warnings, we will give hundred- and thousand-fold punishment to the war fanatics so that they will never rise again.

ROK's Plans for Military Exercises Denounced

SK2104044895 Pyongyang KCNA in English 0439 GMT 21 Apr 95

["South Korean Puppet Clique Plan Large-Scale War Rehearsal Against North"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—The South Korean puppet clique, at a meeting of brasshats of the puppet army on Thursday, reportedly released a plan to stage a large-scale war rehearsal in October this year with the participation of 120,000-strong forces of three services including two corps of the puppet army.

The puppet clique have already announced that they will stage a joint military drill with U.S. Forces for a combined operation with reinforcements from overseas from the end of April to mid-May.

The large-scale war rehearsal due in October is apparently aimed at lifting themselves out of predicament by provoking a war against the North. It fully reveals their anti-dialogue and anti- reunification stand.

If the puppet clique persist in the reckless war provocation moves, going against the trend of time, they will meet a severe punishment by the Korean people.

More Criticism of ROK Tri-Service Exercise

SK2104010695 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 20 Apr 95

[FBIS Translated Text] The South Korean puppet clique is maneuvering to perpetrate a large-scale war exercise for northward aggression.

According to a broadcast report from Seoul, the South Korean puppet clique is planning to stage a large-scale war exercise by mobilizing 120,000-strong forces of three services, including the two corps of the puppet army, in October, and organizing the preparations for this.

In a so-called meeting of high-ranking puppet army officers held on 20 April, the puppet clique announced its plan to stage such a provocative war exercise. The No. 1 Radio in Seoul [KBS-1 Radio Network] reported that the large-scale exercise is aimed at improving fighting capabilities and that it will be as large as the "Team Spirit" joint military exercise. In early April, the puppet clique staged war exercises for northward aggression on a large scale on land, at sea, and in the air by mobilizing the puppet Army, Navy, and Air Force, and reserve forces. Right after this, the puppet clique, in collaboration with the U.S. Forces, reviewed a plan to stage a joint military exercise for integrating with reinforcements dispatched from overseas from late April to mid-May. Not stopping with that, the puppet clique is again attempting to perpetrate large-scale war exercise commotions in October. This is designed to get out of its plight at home and abroad through provocation for a northward invasion and clearly reveals its antidialogue and antinational stance.

If the puppet clique clings to reckless war provocation, running against the trend of the times, it will be unable to escape from our people's stern judgment.

Kim Yong-sam's Visit to Apr 19 Cemetery Viewed

SK2004045395 Pyongyang KCNA in English 0443 GMT 20 Apr 95

["'Civilian' Dictator's Disgusting Act"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—The traitor Kim Yong-sam paid a visit on April 17 to the cemetery of those who had fallen during the April 19, 1960 uprising, according to the Seoul-based radio No. 1.

This was an insult to the uprisers and a mockery of the people. It was a clumsy and disgusting drama staged by the traitor, who is accustomed to disguise, to improve his image and win public favour by pretending to be a "pro-democracy fighter."

Following in the footsteps of the dictator who mercilessly killed the April 19 uprisers, the "civilian" fascist has ruthlessly suppressed the students and people fighting for independence, democracy and reunification. Although he visited the April 19 Cemetery, black cannot be white.

With no drama can he cheat the South Korean people, who are already disillusioned with him.

Papers Criticize Kim Yong-sam

SK2104112795 Pyongyang KCNA in English 1011 GMT 21 Apr 95

["Popularity-Hunting Tactics of Dictator"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—The traitor Kim Yong-sam called at the cemetery of the April 19 uprisers Monday to "pay homage" to them. His act comes under fire in papers here today.

NODONG SINMUN in a signed commentary brands the traitor's visit to the sacred cemetery as an insult to and a mockery of the April 19 uprisers. It asks where did he get the face to call at the cemetery.

The analyst says:

His visit was not aimed at praying for the souls of the heroic uprisers. The traitor sought to improve, with the veil of "democracy", his image tarnished with the killing of people calling for independence, democracy and reunification and thus tide over the ruling crisis.

The traitor Kim Yong-sam is styling himself a "democrat" in a bid to take the edge off the resistance of the people and bring a favourable phase in the "local autonomy elections". If the fallen fighters of the April 19 resistance knew his ulterior intention, they would slap him across his face.

The traitor must step down, instead of finding himself ridiculed by the people for his third-rate burlesque.

MINJU CHOSON says the traitor Kim Yong-sam's visit to the cemetery was aimed at making himself a "champion of democracy" and extricating himself out of the crisis. No matter what desperate efforts he may make, he cannot flee from destruction, says the paper.

ROK Treatment of Religious Leaders Criticized

SK2004104895 Pyongyang KCNA in English 1014 GMT 20 Apr 95

["Immediate Halt to Persecution of S. Korean Religionists Urged"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—The Kim Yong-sam group is going to penalize leader of Taejonggyo An Ho-sang and chairman of the National Council for Reunification and Restoration Kim Son-chok of South Korea, who went back after visiting the northern half of Korea, by invoking "law on South-North exchange and cooperation," a variant of the notorious "National Security Law".

Commenting on this, NODONG SINMUN today describes its anti-ethic rash act as a mean and vicious persecution and suppression of the free religious life of national believers. This is a graphic manifestation of its anti-national policy of confrontation and of its hostile acts against the northern half of Korea, says the paper.

The analyst notes:

The fascist clique is charging leader of Taejonggyo An Ho-sang and his companion with their Pyongyang visit without its "permission". This is a brigandish, far-fetched argument meant to "incriminate" the visitors.

While in Pyongyang, they did nothing against the "law." They visited the tomb of King Tangun, the ancestral father of the nation, to commemorate the "Tangun's ascension" and met with the representatives of the Korean Chondoist Association and discussed with them things helpful to national reconciliation and reunification.

All this proves again that with the Kim Yong-sam fascist clique left alone it is impossible to achieve great national unity and national reunification.

The Kim Yong-sam group must lend an ear to the protest and condemnation by the whole nation and the conscience of humankind and immediately stop its fascist persecution of the religionists.

Called 'Unpardonable' Act

SK2104115895 Pyongyang KCNA in English 1032 GMT 21 Apr 95

["Unpardonable Anti-Ethical, Anti-National Act"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—The Kim Yong-sam group are trying to punish leader of Taejonggyo An Ho-sang and Chairman of the National Council for Reunification and Restoration Kim Son-chok of South Korea, who went back to South Korea after visiting Pyongyang, by invoking the "Law on South-North Exchange and Cooperation", a variant of the notorious "National Security Law". Commenting on this, MINJU CHOSON today brands this as another clear manifestation of their policy of North-South confrontation and antagonism.

The analyst goes on:

The fascist clique are charging An Ho-sang and his companion with their visiting Pyongyang without "permission" of the authorities. This is nonsense. The puppets have no reason or pretext to incriminate the religionists for their Pyongyang visit.

The Kim Yong-sam group are making an intensive investigation into whether An Ho-sang and his companion "expressed condolences" or not. This is an anti-ethical, anti-national act to penalize them by invoking the anti-reunification fascist law and an undisguised persecution of the free religious life of national religionists. The puppets are going to penalize the religionists by criminalizing even their visit to sacred places. This can be committed only by depraved fellows ignorant of elementary ethics and morality handed down through generations.

This makes clear that with the Kim Yong-sam group left alone neither national unity nor the reunification of the country can be achieved.

If national reconciliation and unity is to be achieved and the reunification be realized, the Kim Yong-sam group seeking the North-South confrontation must be overthrown.

If the Kim Yong-sam group continue persecuting An Ho-sang and his companion, penalize them and foster the North-South confrontation, they will face strong denunciation by the entire fellow countrymen.

Pomminnyon Leader Views Reunification Festival

SK2104045995 Pyongyang KCNA in English 0442 GMT 21 Apr 95

["General Secretary of Pomminnyon Calls at North Side's Preparatory Committee for Festival"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—Yim Min-sik, general secretary of the National Alliance for the Country's Reunification (Pomminnyon), on April 20 called at the preparatory committee of the North side for the grand national reunification festival marking the 50th anniversary of the liberation of the country and met Paek Nam-chun, director of the secretariat of the Committee for the Peaceful Reunification of the Fatherland and vice-chairman of the North side's preparatory committee, and members of the committee.

They stressed the need to hold the grand national reunification festival of August 15 as a nationwide reunification festival involving representatives of political parties, groupings and people of various social strata in the North, the South and overseas in accordance with the desire of the nation for reunification, thus making this a historical year in which an epochal phase of national reunification will be opened. And they discussed measures to bring the festival to a success and reached a consensus of views.

Importance of Unity for National Reunification

SK2104121995 Pyongyang KCNA in English 1038 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—The great unity of the Korean nation is a decisive guarantee for promoting the cause of national reunification, says NODONG SINMUN today.

It is because, above all, that the cause of national reunification is the cause of the whole nation for achieving independence of the Korean nation, the author of the article notes, and says:

Reconciliation and unity of the whole nation will lead to the reunification of the country which we wish. Apart from the reconciliation and great unity of the nation no one can debate on the country's reunification. What is most important in achieving the cause of national reunification is the great unity of the entire nation.

The great unity of the whole nation makes it possible to strengthen the driving force of national reunification and firmly build up the forces for reunification.

Since the entire Korean nation is the driving force of national reunification, it must fulfil its responsibility and role as the driving force in the struggle for the country's reunification. To this end, the entire nation must be united firmly as one. The might of driving force is just the might of unity. Unity is the source of strength in the struggle to advocate and realize the independence of the country and the nation.

To attain the great unity of the whole nation, all the Korean people must accept the 10-point programme of the great unity of the whole nation authored by the great leader Comrade Kim Il-song as a political programme for national unity and a grand charter of national reunification.

All those who have pure blood of the Korean nation with Tangun as the founder of ancient Korea, and who are concerned about the destiny of the country and the nation, whether they be in the North, or in the South, or overseas, and whether they be communists or nationalists, have-nots or haves, atheists or theists, must unite as one nation, transcending all their differences, and together pave the way for national reunification.

All the people should make a tangible contribution to the reunification of the country and the development and prosperity on a reunified land, those with strength devoting their strength, those with knowledge giving their knowledge and those with money donating their money.

ROK Researcher Cited on Kim Chong-il, Army

SK2104113895 Pyongyang KCNA in English 1017 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—Chang In-chol, a South Korean "war history" researcher, published an article titled "Unrivalled Army and Great Brilliant Commander," the Seoul-based radio Voice of National Salvation reported.

The article says:

So far the North has not yielded to but courageously fought against the political and military pressure from the imperialist aggression forces.

It is because the People's Army, an unrivalled Army with General Kim Chong-il, a military genius and brilliant commander produced by heaven, as the supreme commander, has firmly defended socialism of the North with an invincible strength.

The People's Army of the North is an invincible Army which defies death in high spirits for the sake of the country, the people and the supreme commander.

It is called an invincible Army because all its officers and men are closely united around the supreme commander in high spirits. Such integration can never be seen in any other Army.

In increasing the military strength, Supreme Commander Kim Chong-il directs fundamental importance to the spirit of affection for soldiers, on the basis of the chuche idea which regards the people as the most valuable and powerful beings and as heaven and on the basis of the theory of benevolent politics that the affairs of the state will go well when the people are loved and trusted.

A great brilliant commander, he has turned the People's Army into an invincible Army by trusting and loving the soldiers and embracing them with great attraction before they trust and follow him.

General Kim Chong-il is training the soldiers of the People's Army not to be false loyal servicemen but to be true loyal servicemen moved by his affection and trust.

The People's Army of the North today is committed to absolute loyalty to Supreme Commander Kim Chong-il. General Kim Chong-il is, indeed, a brilliant commander produced by heaven and a great military genius of the 20th century.

Led by General Kim Chong-il, a peerless great man, our nation with a history of five thousand years will accomplish the cause of reunification before long and usher in a new epoch when Korea will shine all over the world as a rich country with a strong Army.

Amnesty Organization Urges ROK Release Prisoner

SK2004151495 Pyongyang KCNA in English 1502 GMT 20 Apr 95

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—The Amnesty International recently published open materials exposing the brutal suppression of democratic figures by the South Korean puppet clique.

According to the materials, Yu Chong-sik, a prisoner of conscience of South Korea, is undergoing a physical and mental sufferings in prison. In 1975, he was found guilty on false charge of a "spy" of North Korea and sentenced to death which was commuted to a life imprisonment.

The materials further said:

We think that he was indicted unwarrantably on the basis of the "confession" obtained by means of torture.

We urge the South Korean authorities to provide him with conditions for medical treatment without delay and unconditionally release him.

The materials recalled that the Amnesty International sent a letter to the South Korean authorities urging the revocation of death sentences pronounced in South Korea.

The materials noted that the Amnesty International demanded the South Korean authorities unconditionally and immediately release Yun Sok-tal who had been behind the bar [as received] for 15 years after being sentenced to a life imprisonment on the charge of a "spy who acted" for North Korea.

Japanese Dietman's War Crimes Remarks Denounced

SK2104124395 Pyongyang Korean Central Broadcasting Network in Korean 1223 GMT 20 Apr 95

[Commentary by Kim Ho-sam: "Absurd Remarks Hindering Improvement of DPRK-Japan Relations"]

[FBIS Translated Text] Japanese press and political circles have continuously committed acts casting a dark cloud over improving DPRK-Japan relations.

As reported a while ago, Japanese newspapers and broadcasting stations are kicking up anti-Republic commotions, linking the chief of the Japanese National Police Agency shooting incident to us. They stopped doing so when they were strongly denounced from home and abroad.

Then, on 17 April, Seisuke Okuno, former education minister and chairman of the Dietmen's League for the 50th anniversary of the end of the war, again unhesitatingly glorified the crimes it committed during World War II. At a luncheon with reporters, he preposterously said Japan waged a war with the United States and Britain during World War II, not with Asian countries.

This is not the first time he has made such remarks. He once made the absurd remarks that Japan did not invade Asia but fought against European colonialists. Public opinion strongly protested his remarks at that time.

Nevertheless, without coming to his senses, he continued to insidiously attempt to deny Japan's past crimes. Given his continued acts, Okuno is a fellow who has completely embodied the militarist ideas.

The problem is that he heads 206 Liberal Democratic Party [LDP] lawmakers in the Japanese parliament. Then, we cannot view that his remarks represent his own view; Okuno's remarks represent those of the entire LDP, the leading party in the Japanese Government ruling coalition.

We cannot but take this seriously. Because of Okuno's absurd remarks, we cannot but doubt whether the LDP, the Japanese ruling party, intends to improve relations with us or not. If the LDP is to improve relations with us, it must comply with the agreement on resuming DPRK-Japan talks, signed between the delegations of the Workers Party of Korea and the three-party Japanese ruling coalition on 30 March.

A provision of the agreement stipulates that each side's ruling party shall responsibly make efforts to ensure that each government positively seeks talks to normalize relations between the two countries at an early date.

The absurd remarks by Okuno are a deliberate act that poses an artificial obstacle to implementing this provision and a flagrant violation of it.

When they met us at the talks they promised to make efforts to improve relations but threw a cold blanket over improving relations when they returned back home. This cannot be said to be a correct political attitude of a ruling party.

Then, why does Okuno so persistently glorify Japan's past crimes? He does so to lead the new generation of Japan to perceive Japan's distorted history of aggression and, thus, use the generation in Japan's attempt to fulfill its ambition for overseas expansion. For this very reason, Okuno and Japanese cabinet ministers extremely praise the war criminals who provoked the war of aggression, calling them heroes and patriots.

Okuno so persistently denies Japan's aggression of Asia also to escape from its responsibility in the future DPRK-Japan intergovernmental talks. The agreement stipulates that the two countries shall make positive efforts to rectify their unfortunate past and normalize relations at an early date.

It is well known that during World War II, Japan forcibly drafted 6 million people, murdered approximately 1 million of them, and made almost 200,000 women sex slaves of the Imperial Army. The Japanese imperialists exploited natural resources, too. And, after the war, they viciously carried out a hostile policy toward our Republic and inflicted massive losses on it. The Japanese Government should make an apology and make due compensation. Nevertheless, Okuno is trying to escape from the responsibility by denying Japan's brutal aggression of Asia. The Japanese reactionaries are seeking this wicked plot.

Even if such incarnations of militarism as Okuno deny a stark fact proven in history, their allegation will not become a fact or restrain the people's aspirations and earnest desires to improve DPRK-Japan talks.

Even high-ranking Japanese authorities admit that the DPRK-Japan relations, which have remained abnormal for a century, should improve urgently and that, thus, diplomatic relations should be established. Even Japanese Chief Cabinet Secretary Kozo Igarashi said some time ago that the resumption of talks for normalizing DPRK-Japan relations would be examined shortly.

Improving and normalizing DPRK-Japan relations and developing them is the common aspiration of the people of the two countries and is beneficial to the interests of the two countries. Anyone who challenges the aspiration and demand of the era and the people will be discarded by history and perish. Seisuke Okuno will meet the same fate.

Resumption of Talks With Japan Favored Abroad

SK2004151795 Pyongyang KCNA in English 1506 GMT 20 Apr 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—Public organisations and figures of different countries made public statements supporting the adoption of an agreement for the resumption of the talks between the Democratic People's Republic of Korea and Japan which was reached at the talks between the delegations of the Workers' Party of Korea and the three ruling coalition parties of Japan.

Zimbabwean parliamentarian, Joseph Macheka, in a statement dated April 8 urged Japan to liquidate her disgraceful past against Korea and promptly establish diplomatic relations with the DPRK from an independent stand without any precondition.

Moussa Tiepolo Traore, chairman of the Mali-Korea Friendship Association, in a statement April 11 said that the forthcoming talks must be aimed strictly at liquidating the disgraceful past between the DPRK and Japan, normalising the relations between them and stabilising the situation in the Far East.

The Japan Committee for Supporting the Independent and Peaceful Reunification of Korea and the Anti-imperialist Youth Union of Mali released statements respectively on April 5 and 10 supporting the adoption of the agreement and urging the Japanese Government to properly liquidate the enormous damages and disasters inflicted upon the Korean people.

Paper Denounces Japan for Constitution Revision

SK2004052595 Pyongyang KCNA in English 0503 GMT 20 Apr 95

["Preposterous Sophism"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—The Japanese reactionaries recently spread a rumor that the Japanese people are calling for the revision of the "peace Constitution" and reinforcement of military forces against someone's "threat". Commenting on this MINJU CHOSON today brands this as a foolish artifice to justify their moves for conversion of Japan into a military power and for overseas aggrandizement.

The analyst goes on:

The Japanese people demand a clear liquidation of the crime-ridden past of Japan and a just development in a free and peaceful world. This notwithstanding, the Japanese reactionaries are scheming to mislead this and create a circumstance in favour of the materialisation of their wild ambition for militarist overseas expansion and conversion of Japan into a military power.

From the beginning of the year, the Japanese high-ranking military bosses prattled that Japan should have a close and highly mobile defence capability to cope with the change in the composition for regional security, and are trying to complete a new "defense program" to make "self-defense forces" more efficient and modern in the ten years to come.

It is not secret that the Japanese reactionaries intend to revise the "peace Constitution" and openly take part in "UN peace-keeping operations" accompanying the use of Armed Forces.

The Democratic People's Republic of Korea is the first target levelled at by Japan in its moves for overseas aggrandizement. Though 50 years have passed after the war, the Japanese reactionaries have refused to apologize and compensate for the crime-stained past. This fully reveals that their militarist nature remains unchanged.

The Japanese reactionaries must ponder over the consequences to be entailed by their moves for conversion of Japan into a military power and anti-DPRK acts, going against the trend of the time toward detente and peace.

Union of Korean Teachers in Japan Holds Meeting

SK2104045795 Pyongyang KCNA in English 0436 GMT 21 Apr 95

[FBIS Transcribed Text] Tokyo, April 19 (KNS-KCNA) [dateline as received]—The 3d enlarged meeting of the 23d Central Committee of the Union of Korean Teachers in Japan (UKTJ) took place in Tokyo on April 17.

Chairman Pak Kwang-taek made a report at the meeting, which was followed by speeches.

Chae Hong-yol, member of the Central Committee, was elected chairman of the UKTJ at the meeting.

Ho Chong-man, chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), made remarks at the meeting.

Syrian Envoy Hosts Party To Mark Independence

SK2104112095 Pyongyang KCNA in English 1007 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—Yasir Farah, Syrian ambassador to Korea, gave a party on the occasion of the 49th anniversary of independence of Syria on Thursday.

Invited there were Premier of the Administration Council Kang Song-san, secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop and other officials concerned, diplomatic envoys of different countries in Pyongyang and Chief of the Pyongyang Mission of the National Democratic Front of South Korea Yi Chong-sang.

The participants in the party observed a moment's silence in memory of the great leader President Kim Il-song.

Yasir Farah said in his speech that the Syrian people will never forget the precious material and mental assistance sent by the great leader Comrade Kim Il-song to Syria during the past war. This, he noted, was the expression of the firm support of the Democratic People's Republic of Korea to the Arab people's cause of liberating the occupied Arab land and retaking complete and legal rights.

Referring to the friendly and cooperative relations between the two peoples, he said that they had been further strengthened and developed after the historical meeting between President Hafiz al-Asad, a fighter, and the great leader Comrade Kim Il-song.

Touching upon the reunification question of Korea he expressed full support to the 10-point programme of the great unity of the whole nation put forward by the great leader Comrade Kim Il-song, considering it to be the most reasonable and wise proposal for reunification which is backed by the entire Korean nation.

Yun Ki-chong, minister of finance and chairperson of the Korea-Syria Friendship Association, made a speech.

She said: The Syrian people are now striving to achieve national unity, develop national economy and increase the defence capability under the leadership of the Arab Socialist Baath Party led by respected President Hafiz al-Asad.

The Korean people sincerely rejoice as over their own over the achievements made by the Syrian Arab people in building a new society, maintaining independence and extend full support and firm solidarity for their just struggle to retake the occupied Arab land including the Golan Heights and solve the problem of the Middle East comprehensively and equitably on the "principle of land for peace."

The great leader of our party and our people Comrade Kim Chong-il values the friendship between Korea and Syria based on the exceptional intimacy between the respected leader Comrade Kim Il-song and respected President Hafiz al-Asad and frequently tells us to continue to develop it in the future, too.

Vice President Meets Visiting Tajik Delegation

SK2104045195 Pyongyang KCNA in English 0428 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, met and had a friendly conversation with the delegation of the Communist Party of Tajikistan headed by its Chairman Shodi Shabdolov at the Mansudae Assembly Hall on April 20.

The chairman of the Communist Party of Tajikistan said that Pyongyang is the only communist city of culture in the world. The Democratic People's Republic of Korea is making miracles for the happiness of the people even under the imperialists' constant threats of aggression, he added.

He further said:

Korea is not only convincingly building socialism for the people of its own choice but also fully demonstrating its great vitality.

I think that the source of the will of the Korean people is the singlehearted unity of kinship of the leader, the party and the people.

We will find the truth of the party building and the revolution in the works of Comrade Kim Il-song and Comrade Kim Chong-il in the future, he stressed.

Foreign Parties Sign 'Pyongyang Declaration'

SK2104050095 Pyongyang KCNA in English 0444 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)— 221 political parties of the world signed the

Pyongyang Declaration "Let Us Defend and Advance the Cause of Socialism" as of April 20 .

The Lumumba Democratic Party of Zaire, the Marxist-Leninist Popular Action Movement of Nicaragua, the Socialist People's Party of Yugoslavia, the Yugoslav League of Workers, the League of Communists of Yugoslavia and the Union of Communist Parties-the Communist Party of the Soviet Union recently signed the Pyongyang Declaration.

This clearly proves the significance and vitality of the Pyongyang Declaration which confirmed the truth and validity of the cause of socialism and the inevitability of its victory.

Central Committee Sends Message to Namibian Body

SK2004045795 Pyongyang KCNA in English 0436 GMT 20 Apr 95

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—The Central Committee of the Workers' Party of Korea sent a congratulatory message on Wednesday to the Central Committee of the South West African People's Organisation (SWAPO) of Namibia on the 35th anniversary of its foundation.

The message expressed the belief that the friendly and cooperative relations between the two parties and two peoples forged in a protracted joint struggle would grow stronger and develop.

It wished the SWAPO and the Namibian people greater success in the efforts to consolidate the independence of the country and build a prosperous new Namibia.

NDFSK Group Issues 19 Apr Uprising Statement

SK2004115795 Pyongyang KCNA in English 1027 GMT 20 Apr 95

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—Yi Chong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea (NDFSK), issued a statement to the press on Wednesday on the occasion of the 35th anniversary of the April 19 uprising.

The vanguard fighters of NDFSK and the patriotic people from all walks of life of South Korea will launch a second nationwide April 19 uprising to wipe out the filth of domination and subjugation, fascism and division and realise the behests of the great leader President Kim Il-song for reunification without fail, Yi Chong-sang said, and continued:

What the April 19 uprisers earnestly wanted was new politics, a new system and a new life free from domination and subjugation, dictatorship and barrier of division. However, their desire has not yet been realised and the vicious cycle of oppression, humiliation and fascism has continued.

All this tragedy is wholly attributable to the U.S. political and military occupation of South Korea and brutal colonial fascist rule over it and the treacherous acts of the successive puppets.

The United States must stop military aid to the Kim Yong-sam fascist group and put an end to the colonial fascist rule.

The Kim Yong-sam fascist group must abolish such fascist laws and repressive tools as the "National Security Law" and the "Agency for National Security Planning", discontinue the war provocation moves against the North at once and step down from power without delay.

Military Attaches Corps Visits Artillery Company

SK2104045895 Pyongyang KCNA in English 0447 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—The military attaches corps in Korea visited on Thursday the Women's Coast Artillery Company of the Unit 291 of the heroic Korean People's Army, a frontline unit defending the fatherland, on the threshold of its 63rd birthday.

Respected Supreme Commander Comrade Kim Chong-il inspected the company on February 5 and took care of artillerywomen's life with paternal love.

The visitors went round artillery positions, the education room and the dinning room of the company and saw the martial art performance of the women soldiers.

After the visit the corps wrote in visitor's book:

"We have come to know that firm guarantee for reunifying the country and smashing the enemy's moves has been provided by deep concern and solicitude of the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il, supreme commander of the Korean People's Army."

Russian Official Sends Letter to Kim Chong-Il

SK2104051495 Pyongyang KCNA in English 0503 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—The great leader Comrade Kim Chong-il on April 18 received a letter from I. G. Zykina, president of the Russian Academy of Culture.

The letter says:

We express thanks for your inviting the Russian folk song and dance troupe to the 13th April Spring Friendship Art Festival and for the excellent organization of the festival.

The days of the festival showed how sad the entire Korean people feel over the death of their great leader Comrade Kim Il-song and how deeply they cherish his memory.

We think that the April Spring Friendship Art Festival will be an international function of recalling to his memory forever.

Noting that the Korean people are closely united around the great leader Comrade Kim Chong-il, the successor to the cause of Comrade Kim Il-song, the great leader of the Korean people, the letter says that his trust and love for the people encourage them to accomplish the socialist cause.

The letter wishes Comrade Kim Chong-il good health and long life.

Thai Delegation Brings Gift for Kim Chong-il

SK2104122095 Pyongyang KCNA in English 1040 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—The great leader Comrade Kim Chong-il received a gift from the visiting delegation of the Foreign Affairs Committee of the House of Representatives of the Kingdom of Thailand.

The gift was handed to Chairman of the Foreign Affairs Committee of the Supreme People's Assembly Hwang Chang-yop by head of the delegation Suthin Nophaket.

Pakistani Prime Minister Sends Kim Chong-il Gift

SK2104045295 Pyongyang KCNA in English 0429 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—A gift came to the great leader Comrade Kim Chong-il from Benazir Bhutto, prime minister of Pakistan.

Pakistani Ambassador to the DPRK Rehmdil Bhatti handed the gift to secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop on Thursday.

Mozambican President Sends Gift to Kim Chong-il

SK2104044995 Pyongyang KCNA in English 0423 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—The great leader Comrade Kim Chong-il received a gift from Mozambican President Joaquim Alberto Chissano.

The secretary of the Mozambican president on April 18 conveyed the gift and a verbal message of the president to the DPRK ambassador to his country.

The secretary quoted him as saying:

"The great President Kim Il-song was a friend of our people who guided and sincerely supported their cause. I respected him most. Though he passed away, he is immortal in the heart of humankind for the outstanding exploits he performed for the just cause of the Korean people and other peoples of the world.

"I present flower seeds to Comrade Kim Chong-il, the great leader of the Korean people, as a gift so that they can bloom around the statue of the great leader President Kim Il-song whom I respected most."

Anniversary of Kim Chong-il's Health Work Marked

SK2004122195 Pyongyang KCNA in English 1035 GMT 20 Apr 95

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—A national symposium on medical sciences took place in Pyongyang on April 19 on the occasion of the 10th anniversary of the publication of "On the Further Improvement of the Health Service", a famous work of the great leader Comrade Kim Chong-il.

In the work, Comrade Kim Chong-il newly expounded the essential requirement and lawfulness of the development of the public health service and indicated in detail the contents and orientation of the development of the health service under the socialist system of the Korean style and ways for bringing them into effect.

Read out at the symposium were papers logically proving the originality, validity and vitality of the idea and theory contained in the work of Comrade Kim Chong-il and papers on the excellent achievements made in the field of medical sciences and technology in the course of implementing the tasks set out in the work.

The speakers said the work is a famous work which has defended the chuche-based idea of the great leader President Kim Il-song on the public health service and further developed and deepened it in keeping with new requirements of the developing revolution and a historical work which has developed the revolutionary theory of the working class on the public health onto a new higher stage and had a great influence on the solution to the issue of the public health of the progressive humankind of the world.

They elaborated on the great vitality displayed by the idea and theory of the work in the practice of the public health service in the past ten years.

They introduced achievements made in the researches for the prevention of various diseases and perfect rational means and methods of treatment and in the studies of combining the Koryo medicine and modern medicine properly and putting the Koryo medicine on a scientific basis.

Meeting Commemorates Publication

SK2104045395 Pyongyang KCNA in English 0434 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—A meeting was held in Pyongyang on April 20 on the occasion of the 10th anniversary of the publication of "On the Further Improvement of the Health

Service", a famous work of the great leader Comrade Kim Chong-il (April 21, 1985).

Chang Chol, vice-premier of the Administration Council, said in his report:

In the work, the great leader Comrade Kim Chong-il expounded a new idea that the public health service is not a mere technical service but an honorable and worthwhile revolutionary work to realise the independence of the people, thus clarifying in a unique way the revolutionary essence of the public health service in socialist society.

Comrade Kim Chong-il scientifically elucidated that the socialist medicine is, in essence, a preventive one and the party's prophylactic policy is the basic policy of the public health service representing the intrinsic need of socialist medicine.

Elaborating on the character and the mission of the socialist medicine and the way of discharging the mission, the work serves as chuche-based principles of health service and an immortal militant banner which makes it possible to steadily improve and strengthen the health service with a clear target.

Referring to the achievements made in the health service of the country in the last 10 years since the publication of the work, the reporter said:

The health of the working people has constantly been improved under the continued care of the party and the state. As a result, the life expectancy of our people is 74.5 years, or nearly twice up as against the days before the liberation of the country on August 15, 1945.

Present at the meeting were Choe Tae-pok, alternate Politburo Member and secretary of the Central Committee of the Workers' Party of Korea, officials concerned and medical workers in Pyongyang.

Kim Chong-il Sends Thanks to Officials, People

SK2004045695 Pyongyang KCNA in English 0434 GMT 20 Apr 95

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—The great leader Comrade Kim Chong-il sent thanks to the officials and employees of the foreign languages publishing house, the Wonsan fishery station, the State Commission of Science and Technology, the Central Committee of the Korean Journalists Union, Yi Kil-tu and Ko Chong-ha, officials of the Undok general bureau, Kim Yong-hui who is a worker of the Moranbong public service workers' cooperative in Pyongyang, Paek Un-pong who is a farmer of the Sokkyo cooperative farm in Pyongwon County, South Pyongan Province, and other units, officials and working people for the traditional traits of Army-people unity they had displayed.

He also sent thanks to the teachers and researchers of the geography department and the biology department of Kim Il-song University and Pyongyang University of Railways for their active contribution to the implementation of the revolutionary economic strategy of the Workers' Party of Korea.

Foreign Countries Publish Kim Il-song's Works

SK2004045195 Pyongyang KCNA in English 0431 GMT 20 Apr 95

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—Famous works of the great leader President Kim Il-song were published in booklet in different countries on the occasion of his birth anniversary.

The Pracheachon publishing house of Cambodia and the Poligraf Kombinat of the Kazakh Ministry of Publication and Mass Media published the work "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" (April 1993).

The work calls for establishing a unified state, independent, peaceful and neutral, through the great unity of the whole nation and achieving this unity on the basis of patriotism and the spirit of national independence.

The Litho printing house of Tanzania, the Moscow youth society for the study of the chuche idea and the Sims Company of Russia published the work "For the Ultimate Solution of the Rural Question Under the Banner of the Socialist Rural Theses" (February 25, 1994).

The Samjana publishing house of Nepal published the work "Answers to Questions Raised by a Delegation of Journalists of WASHINGTON TIMES from the United States" (April 12, 1992).

Kim Il-song's Works Ceremony Held in Pakistan

SK2004121595 Pyongyang KCNA in English 1030 GMT 20 Apr 95

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—A ceremony for presenting famous works of the great leader President Kim Il-song was held at the Karachi International Relations Institute of Pakistan on April 10 on the occasion of his birth anniversary.

The DPRK consul-general in Karachi conveyed famous works of President Kim Il-song to the director of the institute.

In his speech at the ceremony, the director said that President Kim Il-song had performed exploits which will shine long in history, being gifted with extraordinary ideological and theoretical intelligence, wise leadership ability and noble virtues befitting an outstanding leader.

"Our institute will become a centre for actively disseminating his great ideas, theories and exploits among the Pakistani people," he stressed.

Foreign Tourists Visit Kim Il-song Statue

SK2104044695 Pyongyang KCNA in English 0420 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—The Chinese and Singaporean tourist groups called at the statue of the great leader President Kim Il-song standing on Mansu Hill and paid homage to him on Thursday.

They laid bouquets of flowers and made a bow before the statue with boundless reverence for him.

Prior to this, the tourists from Hong Kong, Brazil and Japan called at the statue of President Kim Il-song to lay floral baskets and bouquets and make a bow.

More Foreign Media Observe Kim Il-song Birthday

SK2104114895 Pyongyang KCNA in English 1026 GMT 21 Apr 95

[FBIS Transcribed Text] Pyongyang, April 21 (KCNA)—Foreign mass media carried articles commemorating the birth anniversary of the great leader President Kim Il-song.

The Zimbabwean paper STAR carried an article titled "Comrade Kim Il-song Will Always Live With Humankind", printing a portrait of President Kim Il-song.

In the article, the paper said that the progressive peoples of the world are recollecting the life of President Kim Il-song on the occasion of April 15. He founded the anthropocentric chuche idea and had made a great contribution to the human cause of liberation, the paper said.

It added:

Though President Kim Il-song passed away, his revolutionary exploits and noble traits will remain alive in the hearts of the progressive peoples of the world and his revolutionary cause is successfully being carried forward by Comrade Kim Chong-il, the great leader of the Korean people. The Thai paper SIN CHUNG YUAN PAO carried an article entitled "The Country Blessed With Great Leaders and People".

The paper said that President Kim Il-song had devoted his whole life to the people, regarding it as his maxim to "believe in the people as in heaven". He also successfully solved the inheritance of leadership, the paper added.

The Yemeni paper MAY 22, the Romanian paper EUROPA, Thai papers XING SAN RIBAO and BAN MUANG, the Nigerian paper OBSERVER, the Ugandan paper PEOPLE, Pakistani papers HABARE and HAIDER and the Mozambican paper NOTICIAS carried articles on the revolutionary life of President Kim Il-song and his revolutionary exploits under titles "The Leader Enjoys Immortality", "April 15 Is the Holiday of the Korean People" and so on.

The news agency of Madagascar, a radio of Equatorial Guinea, radio STAR and radio LA CRONICA of Peru and radio CITTA APERTA of Italy introduced the revolutionary exploits of President Kim Il-song.

Bulletins and special issues of bulletin were published by the Bulgaria-Korea Friendship Association, the Karachi branch of the Pakistan-Korea Friendship Association, the Ghanaian National Institute of the Chuche Idea, the Malagasy Institute for the Study of the Chuche-based Idea on literature and art and the group for the study of the chuche idea of Latin American people in Geneva, Switzerland, on the occasion of the birth anniversary of President Kim Il-song. The national publishing house of Madagascar brought out a collection of poems "Looking Up to Great Men" on the same occasion.

Media Articles View Kim Il-song's 'Warm Love'

SK2004213295 Pyongyang KCNA in English 1517 GMT 20 Apr 95

[FBIS Transcribed Text] Pyongyang, April 20 (KCNA)—Mass media of Korea carried articles and broadcast documentary films introducing the warm love and affection shown by the great leader President Kim Il-song for the people, on the occasion of his 83rd birth anniversary.

Among them were stories about favours he had bestowed on workers, peasants, intellectuals and other working people.

The great leader President Kim Il-song said:

"I embarked on the path of revolution with a determination to dedicate myself to the country and my fellow people, and ever since my love for the people has at all times been uppermost in my mind."

President Kim Il-song regarded the working people as the masters of the country and showed love and solicitude for them.

Under his deep trust and love, Choe Chae-ha, who was a worker at a power station before and just after the liberation of the country, grew to be the first minister of the working class origin.

Appointing him as the minister of construction in December, 1956, the president said, "You are the first minister from the working class. ...I believe that you will surely carry out the party's policy of construction."

Choe Yon-ok, too, who was an ordinary worker, became a labour heroine under his bosom.

Before the liberation, she had to live a miserable life, suffering from hard toil in a mine at her young age after her parents were murdered by the Japs.

President Kim Il-song received her on several occasions and highly estimated her feats in the building of a new country and socialist construction. And he saw to it that the title of labour heroine was awarded to her and she, who had no access to schooling whatsoever until the age of above 30, was educated and then took charge of the working people's organization affairs at an enterprise.

Under his special love, Yim Kun-sang, who was chairman of the management board of the Okto Cooperative Farm in Nampo Municipality, also grew to be a hero of labour and a revolutionary farmer and did farm until he died.

He had worked as a farmhand of a landlord before the liberation.

In nearly 20 years the president frequently met with this peasant and discussed farming affairs with him. And always being worried about Yim's bad health, he sent expensive medicines to him and took measures for competent doctors to treat him kindly.

He also embraced intellectuals, who were at a loss what to do right after the liberation, took warm care of them and led them to devote themselves to building a new society.

Among those intellectuals were Chong Chun-taek, Kang Yong-chang, Ki Mun-hae, Choe Song-se and Kye Ung-sang who had been subjected to national humiliation and contempt under the Japanese imperialist colonial rule. They had fully enjoyed a worthwhile life, demonstrating their talents at major posts of the party and the state under the deep trust and warm love of the president.

Under his paternal love, Kim Song-chin, who is now a general of the Korean People's Army, could escape death by miracle after silencing an enemy machinegun with his body in the past fatherland liberation war and become a hero of the Republic. He is still serving in the Army though he is over 60 years old.

The following stories about the solicitude shown by the great leader President Kim Il-song for the people are being told as legends among the Korean people. He ordered officials to blast the oven of first-sage iron processing, an outdated electric furnace harmful to workers' health, immediately after the liberation; in the past fatherland liberation war he went into the forefront and instructed a commander there to provide the combatants with warm cooked rice and soup because the weather was getting cool; and he sent to a scientist the wild insam (ginseng) which the people had presented to the president for his good health and longevity.

Though the president passed away, the stories about his love for the Korean people will be conveyed down through generations.

Chagang Hydroelectric Power Plants Score Gains

SK2004060795 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 18 Apr 95

[FBIS Translated Text] While having set a high goal to usher in the 50th anniversary of the party's founding and the 50th anniversary of the fatherland's liberation with successes in increased electricity generation, the hydroelectric power plants in Chagang Province are normalizing the electricity generation at a high level this month too, not slowing down the spirit with which they greatly overfulfilled the electricity generation plans for the first quarter of the year by improving the management of facilities and technology.

The electricity-generating workers of the Kanggye Youth Power Plant are generating 620,000 kilowatt-hours of electricity more than their daily targets, meticulously checking and repairing the electricity-generating facilities like water wheels, and taking care of and managing those facilities in a scientific and technical fashion.

The electricity-generating workers of the Changjagang Power Plant are making sure that equipment is operated highly efficiently by maintaining the water at a high level and operating all facilities in conformity with the technical regulations and with the standard regulations of operation. As a result, they are overfulfilling daily electricity-generation plans by more than 115 percent.

Transformers' Performance Said Doubled at Complex

SK2104134395 Pyongyang NODONG SINMUN in Korean 26 Mar 95 p 1

[By reporter Sin Hyok]

[FBIS Translated Text] North Hamgyong Provincial Electricity Transmission and Distribution Complex has made innovations by technologically remodeling large transformers now in operation and doubling their performance.

This virtually is like obtaining another large transformer free.

A transformer substation installed one remodeled transformer in place of two large transformers. It found out the transformer's technological performance was very good.

If transformers obtained free are installed in the electric power system more reasonably, electricity losses during transmission will be reduced, and an amount of electricity sufficient enough to operate a big plant will be saved.

There are other economic effects. Benefits given to the state are enormous, when we count the savings of silicon steel sheets, steel materials, insulators and copper wires, and other valuable materials that are necessary to build large transformers and reductions in work force.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out: "All sectors must boldly present high goals of technological innovation and more vigorously carry out the popular technological innovation movement."

Under the guidance of party organizations, Comrade Kim Chang-su, a researcher at the Industrial Laboratory, and other technicians, in hearty response to the party's demand that large transformers be remodeled, have already remodeled 15,000-kilowatt and 20,000-kilowatt large transformers and doubled or tripled their performances by highly displaying the revolutionary spirit of self-reliance and arduous struggle. In this way, they obtained many reserve transformers. They also mapped out a bold and grand plan to remodel larger transformers. When they started work to do this task, they faced many technological problems that they had to solve.

They had to solve the problem concerning insulators and other problems to suit enhanced performance of the transformers.

Moreover, they could not use the old transformer's inner materials and boxes if they applied the existing methods.

Comrade Kim Chang-su and other technicians decided to start afresh.

With the positive support of party organizations, they studied many technical books and the latest scientific and technological materials and listened to views of scientific research institutes and designing institutes. A reasonable large-transformer remodeling design was finished as a result of hard work.

The party established the "17 February Scientists and Technicians Shock Brigade" to ensure that their new plan is implemented at the earliest possible date.

Cherishing the party's great trust and expectations deep in their hearts, the shock brigade members pooled their creative wisdom and accelerated the remodeling of transformers.

In the process, they applied scores of technical-innovation plans and rationalization plans to remodeling large transformers.

Their blood and sweat endeavor brought excellent results. The large transformer's performance was doubled as designed.

Numerous people are now visiting this substation.

If this technical-innovation plan is accepted nationwide, numerous large transformers will be obtained free, and great changes will be brought about in efficiently using and conserving electricity.

South Korea

IAEA: North 'Still Freezing' Nuclear Facilities

SK2104023395 Seoul CHUNGANG ILBO in Korean 21 Apr 95 p 2

[Report by Choe Won-ki]

[FBIS Translated Text] The International Atomic Energy Agency [IAEA] stated that North Korea was still freezing its nuclear facilities in Yongbyon as of 20 April, 24 hours before the deadline for signing a treaty on providing North Korea with light-water reactors.

In a telephone interview with CHUNGANG ILBO on the early morning of 20 April, IAEA spokesman David Kyd said that "there is no sign or move that indicates North Korea is attempting to break the state of nuclear freeze [haektonggyol sangtae]" and that "routine inspection activities [tongsangjogin sachal hwaltong] are being normally [chongsangjoguro] carried out."

Routine inspection activities include confirmation of the seals in the five-mw experimental reactor in Yongbyon and of nuclear waste reprocessing facilities and verification of the operation of monitoring cameras.

Regarding the deadline for signing the treaty, spokesman Kyd stated that North Korea has yet to take actions to restrict activities being carried out by two IAEA inspectors who are staying in Yongbyon and added: "The IAEA is carefully watching North Korea."

DPRK Delegate: Berlin Talks Have Ruptured

SK2104000795 Seoul YONHAP in English 2357 GMT 20 Apr 95

[FBIS Transcribed Text] Berlin, April 20 (YONHAP)—The U.S.-North Korea expert-level talks deadlocked over the North's rejection of South Korean-made light-water reactors came to a rupture Thursday.

It is now all but impossible for the two countries to break the stalemate before Friday, April 21, the target date for the conclusion of a light-water reactor contract under the Washington-Pyongyang nuclear accord signed in Geneva last October. Tensions are expected to heighten as the North Koreans have threatened to refuel their frozen 5-megawatt experimental reactor at Yongbyon.

Chief North Korean delegate Kim Chong-u, vice chairman of the External Economy Commission, emerging from an experts' meeting Thursday that lasted for over 40 minutes at the North Korean interest section here, declared "the talks have ruptured."

Kim also said, "no agreement has been reached," responding to questions by reporters. "No talks are scheduled for tomorrow," he added in an excited tone. But he declined to comment further.

The American negotiators including their chief delegate Gary Samore, deputy non-proliferation director at the State Department, refused to comment on the outcome of the meeting while leaving the conference site. An official from the U.S. Embassy's Berlin branch office declined to confirm the rupture of the experts' talks or the schedule for Friday's talks.

A diplomatic source closely following the expert-level talks accepted Kim's remarks about the breakdown at face value.

But it could not be confirmed immediately if his statement meant a final and complete rupture of the experts' talks or simply that the current round of talks failed to reach a compromise.

Kim's statement, some observers thought, may well mean not a scrapping of the Geneva nuclear framework agreement, but a negotiation strategy designed to wrest concessions from the United States in selecting the model of light-water reactors.

It is almost certain that the two sides will see April 21, the target date for the signing of a reactor supply contract, pass without results. Accordingly, both sides may face serious differences concerning the North Korean nuclear development program.

Following the experts' talks Thursday, South Korean, U.S. and Japanese officials held an emergency working-level meeting at the Berlin branch of the U.S. Embassy to work out steps to cope with the stalemate.

U.S. Senator on Push for Sanctions on DPRK

SK2104005095 Seoul YONHAP in English 0041 GMT 21 Apr 95

[FBIS Transcribed Text] Washington, April 21 (YONHAP)—U.S. Sen. Frank Murkowski (R-Alaska) said Thursday that he would seek to impose economic sanctions on North Korea if North Korea restarts their graphite-moderated nuclear reactor program.

Murkowski's statement came after the expert-level talks between Washington and Pyongyang over the provision of two light-water reactors to North Korea have reportedly ruptured.

Two 1000-megawatt light-water reactors were to be supplied to the North under the agreed framework signed in Geneva by the two countries last October. In return, the North promised to freeze its nuclear program.

However, the North rejected South Korea's central role in the proposed reactors' construction and provision, a position that the U.S. stood firmly behind.

"For the agreement to work, the North must follow through on terms of the agreed framework that call on it to establish a meaningful dialogue with South Korea," Murkowski stated. "Without South Korea playing a central role, North Korea will not receive the light-water reactors it seeks.

"What must be clear to the North Koreans is that the U.S. is committed to stopping the North's nuclear weapons' program. We must be ready to take action to impress that on the North Koreans. If these talks really are irretrievably broken," he declared.

Murkowski asserted that he would request the Clinton administration gather international support, especially from China, to impose sanctions against the North.

Friday, April 21, marks the deadline for the implementation of the Geneva agreement, and talks in Berlin reportedly stalemated Thursday evening.

Christopher, Kong Discuss Berlin Talks Outcome

SK2104073295 Seoul YONHAP in English 0715 GMT 21 Apr 95

[FBIS Transcribed Text] Seoul, April 21 (YONHAP)—South Korea and the United States Friday reaffirmed that they would not bring the North Korean nuclear issue to the United Nations Security Council (UNSC) for possible sanctions unless Pyongyang refuels its 5-megawatt graphite-moderated reactor presently frozen by the Geneva accord reached between Pyongyang and Washington last October, according to a senior Foreign Ministry official.

While talking to U.S. Secretary of State Warren Christopher on the telephone, Foreign Minister Kong No-myong also discussed measures to deal with every possible development now that the North has walked out on the meetings held in Berlin Thursday refusing to accept South Korean-made light-water reactors, said Yim Sung-chun, director general of the ministry's American affairs bureau.

"It's not likely that the Berlin talks which recessed Thursday will resume considering the current situation (surrounding the talks in Berlin), although South Korea and the United States are leaving the door open for a dialogue (with North Korea) until the last minute," said Yim.

Yim said that the North again threatened to refuel its reactor during Thursday's meeting in Berlin, insisting that the United States violated the framework agreement by failing to sign a contract for the provision of two light-water reactors to the North by April 21.

North Korea has insisted that April 21 is the deadline for the two sides to sign a contract for the provision of reactors to the North while the United States is maintaining it is just a target date which is not legally binding.

"That's why we should deal with every possibility including sanctions against the North in case North Korea reloads its reactor and breaks the framework agreement," said the official.

Ministry officials, however, predict that Seoul and Washington may propose that Pyongyang and Washington have high-level officials' meetings between nuclear ambassador Robert Gallucci of the United States and North Korea's Foreign Minister Kang Sok-chu [name and title as received] to solve the North Korean nuclear issue rather than taking measures to impose sanctions on North Korea.

South Korea and the United States consider the need for high-level officials' talks necessary at this point now that expert-level officials' meetings failed to produce results, said the officials who added that the high-level talks could produce results because Kang and Gallucci themselves are the parties who produced the Geneva nuclear deal last October.

"Although the Berlin talks seemed to have come to an end, Pyongyang and Washington will have to settle issues on the provision of the reactors to North Korea unless the North refuels its reactor," said an official who hoped that the North returns to the negotiating table.

Sanctions should be discussed only after the North defrosts its nuclear facilities by refueling its graphite reactor and South Korea and the United States will do their utmost to invite the North to another round of talks although the target date of April 21 has passed, according to the official.

"Reloading means a collapse of the nuclear framework agreement between Pyongyang and Washington," he said.

The agreed framework is actually not an accord or agreement which is leagally binding but a high-level political promise, said the official. "Therefore, any violation of a major part of the promise will automatically lead to the overall nullification of the framework."

During the last meeting with the American delegation in Berlin Thursday, the North Korean delegation still refused to accept South Korean-made light-water nuclear reactors and South Korea's central role in the provision of the reactors to the North, according to ministry officials.

The North Korean delegation reserved air tickets for a flight departing Berlin at 10 PM Friday (Korean standard time) for Pyongyang, but South Korea and the United States are not abandoning their hopes that a dialogue with the North will resume in Berlin until they actually leave, said the officials.

Earlier in the day Foreign Minister Kong No-myong met separately with U.S. Ambassador James Laney and Japanese Ambassador Yamashita Shintaro to discuss the deadlock in the negotiations over the North Korean nuclear issue, according to the officials.

Consultations are also underway between Presidents Kim Yong-sam and Bill Clinton on ways to solve the North Korean nuclear issue, said the officials.

U.S. Proposes High-Level U.S.-DPRK Talks

SK2104143095 Seoul YONHAP in English 1409 GMT 21 Apr 95

[FBIS Transcribed Text] Seoul, April 21 (YONHAP)—The United States proposed Friday that Washington and Pyongyang hold high-level officials' meetings between Nuclear Ambassador [title as received] Robert Gallucci and North Korea's Foreign Minister Kang Sok-chu to replace the ruptured expert-level nuclear talks in Berlin, according to a Foreign Ministry spokesman.

The United States made the proposal to North Korea via North Korea's permanent mission located in New York, said Director General Yim Sung-chun of the ministry's American Affairs Bureau.

Foreign Minister Kong No-myong and his U.S. counterpart Warren Christopher agreed to make the proposal to the North when they spoke on the telephone early Friday while discussing ways to break the impasse in the negotiations between Pyongyang and Washington regarding the North Korean nuclear issue, said the official.

According to him, further discussions are underway at the highest level among President Kim Yong-sam, U.S. President Bill Clinton and Japanese Prime Minister Tomiichi Murayama to tackle the again-suspended Berlin expert-level talks on the North Korean nuclear problem.

Seoul and Washington agreed that Kang-Gallucci talks would be the best way to break the deadlock in the expert-level talks considering the fact that they were the parties who produced the framework agreement on the North Korean nuclear issue in Geneva last October, said the official.

The official, however, added that North Korea has yet to show any indication that it will accept the offer for the resumption of the high-level talks.

Kim Jong-u, North Korea's chief delegate to the Berlin talks, left the meeting late Thursday saying the two sides made no progress and that the talks came to a rupture.

Early Friday, Foreign Minister Kong No-myong and U.S. Secretary of State Warren Christopher agreed not to bring the North Korean nuclear issue to the United Nations Security Council (UNSC) for possible sanctions unless the North breaks the nuclear framework agreement by reloading its graphite-moderated nuclear reactor.

North Korea, however, had threatened to refuel its reactor during Thursday's meeting in Berlin, insisting that the United States violated the framework agreement by failing to sign a contract for the provision of two reactors to the North by April 21, raising fears that the nuclear issue will result in elevated tension on the Korean peninsula.

Ministry: Possibility Exists for Further Talks

SK2104014395 Seoul KBS-1 Radio Network in Korean 0100 GMT 21 Apr 95

[FBIS Translated Text] The government stated: The expert-level talks on the provision of light-water reactors in Berlin have not yet come to a rupture, and it is possible for the talks to be resumed before the end of 21 April.

In an authoritative informal commentary issued this morning, the Foreign Ministry stated: What is clear at this moment is that the expert-level talks in Berlin have not yet been concluded. We cannot say there is no possibility of resuming the talks today.

The Foreign Ministry pointed out that both the U.S. and North Korean delegates still remain in Berlin and have made contacts with their respective governments, and that there is enough time and opportunity for them to resume the talks by 2200 [1300 GMT] this evening, when the North Korean delegation is scheduled to leave Berlin.

The Foreign Ministry explained that it is now preparing for all possible situations, rounding off [chaejongni] and confirming the ROK-U.S.-Japanese strategy through our diplomatic channel.

The Foreign Ministry stated: There was no progress in the talks held last night because of acute differences in opinion between the United States and North Korea on the reactor style. The government will continue to make efforts to persuade North Korea, while adhering to our basic principle.

'Unofficial' Contacts Under Way Over Talks

SK2104021195 Seoul YONHAP in English 0203 GMT 21 Apr 95

[FBIS Transcribed Text] Seoul, April 21 (YONHAP)—Delegations from the United States and North Korea to the Berlin nuclear talks were engaging in unofficial consultations to continue the talks which ruptured late Thursday over the type of light-water nuclear reactors to be provided to North Korea, according to a Foreign Ministry spokesman Friday.

"It's not the end of the talks because delegations of the two sides still remain in Berlin for unofficial consultations to resume the deadlocked negotiations over the type of the reactors, " said the spokesman.

The spokesman, however, said that the South Korean Government will continue to make efforts to persuade the North to accept South Korean-made reactors, adding "further developments (on the issue) depend entirely on North Korea."

South Korea will maintain close cooperative relations with the United States and Japan to prepare for any possibility on the North Korean nuclear issue, the spokesman said.

"We will have to closely watch developments until 10:00 PM [1300 GMT] Friday when the North Korean delegation said it will depart Berlin for Pyongyang," he said.

The two sides held 40-minute talks in Berlin late Thursday but failed to make progress on the type of light-water reactors to be provided to North Korea under the framework agreement between North Korea and the United States reached in Geneva last October, the spokesman said.

During the talks, North Korea continued to insist that it should get American-made reactors rather than South Korean ones, while the United States insisted that the reactors should be South Korean standard-model light-water reactors, according to ministry officials.

North Korea, however, did not threaten to reload its 5-megawatt laboratory reactor frozen by the agreed framework, paving the way for further negotiations, they said.

During the talks, the United States continued its attempts to persuade the North to refrain from reloading the North's graphite-moderated reactor, warning that such an act would constitute a stark violation of the agreed framework which would automatically lead to international sanctions against the North, said the officials.

Foreign Ministry officials did not expect Thursday's deadlock to lead to a catastrophe resulting in North Korea reloading its graphite reactor and subsequently forcing the United States to seek economic sanctions against the North, citing no indication that the North is going to refuel its reactor at the moment.

Foreign Minister Kong No-myong convened an emergency meeting of Foreign Ministry officials in charge of the nuclear issue early Friday morning to examine the real intention of the North before coming up with measures to jointly tackle the issue with the United States and Japan.

Kong will also have consultations with Unification Minister Na Ung-pae, Defense Minister Yi Yang-ho and presidential secretaries on the issue, said the officials.

Na Ung-pae on Parallel N-S, U.S.-North Talks

SK2104060895 Seoul YONHAP in English 0600 GMT 21 Apr 95

[FBIS Transcribed Text] Seoul, April 21 (YONHAP)—Deputy Prime Minister and National Unification Minister Na Ung-pae said Friday that the suspension of U.S.-North Korea light-water reactor talks in Berlin was due to "the wrong composition" of the framed agreement reached between the two countries in Geneva last October.

Lecturing at a breakfast meeting for the Korea Regional Policy Research Institute at the Hyatt Regency Seoul, the chief unification policy-maker said, "The composition of the agreement which excludes South Korea from, and forces it to follow U.S. intention in, talks on the Korean issue should be broken up."

"Only when the U.S.-North Korea talks take place simultaneously with an inter-Korean dialogue can we expect improved inter-Korean relations and the supply of (South Korean-made) light-water reactors (to North Korea)," he remarked.

Without such simultaneous talks between Washington and Pyongyang and between Seoul and Pyongyang, the Berlin light-water reactor talks would only become discussions of ambiguous matters and of no principle, leading to a verbal war of attrition and new tensions at the meeting table, he said.

As South Korea has an important stake in the Berlin talks, the light-water reactor issue would be settled through concurrent dialogues between Seoul and Pyongyang and between Washington and Pyongyang, he added.

But Na stressed the need for the "persuasion of North Korea with patience" on the basis of international cooperation in approaching the issue of who should provide light-water reactors to the North.

Noting that the Geneva accord last October was intended for denuclearizing the Korean peninsula and to insure its peace and security, he said the suspended inter-Korean dialogue should resume for this aim, adding, "When the dialogue resumes, we can provide whatever support the North wants."

He predicted the U.S.-North Korea talks would continue in any case, though with intermittent tensions.

North Korea will complete the transfer of power to Kim Chong-il in the latter half of the year when it marks the first anniversary of Kim Il-song's death, and this will be a good chance for the South to persuade the North to resume the suspended dialogue, he observed.

Hints at 'Flexible Position'

SK2104024395 Seoul KBS-1 Radio Network in Korean 0102 GMT 21 Apr 95

[FBIS Translated Text] Na Ung-pae, deputy prime minister and minister of the National Unification Board, stated that the government might assume a flexible position regarding the provision of light-water reactors, an issue that is currently deadlocked, if North Korea responds to North-South dialogue.

In a policy seminar held at the Hyatt Hotel this morning under the auspices of the Institute for Korean Policy, Deputy Prime Minister Na remarked that the appearance that the United States and North Korea are directly discussing the issue of the Korean peninsula to the exclusion of the ROK should be changed. He stated that even if North Korean-U.S. negotiations in Berlin do not continue, the U.S. side would continue to hold negotiations with North Korea under the mutual cooperation system of the ROK, the United States, and Japan without being restricted by time.

Government Said 'Firm' on Nuclear Reactor Issue

SK2104071295 Seoul YONHAP in English 0701 GMT 21 Apr 95

[FBIS Transcribed Text] Seoul, April 21 (YONHAP)—President Kim Yong-sam said Friday the government will stick to its position concerning the provision of light-water nuclear reactors to North Korea affirming that the cooperative system among South Korea, the United States and Japan on that issue remains very firm.

In a luncheon meeting held at Chongwadae [presidential offices] with a group of senior politicians who are members of the Honjong-hoe (Korea Parliamentarians Society), President Kim said that the government is maintaining its defense posture against any eventuality since North Korea's internal situation is so unstable as not to have achieved its power transition since the death of former President Kim Il-song, presidential spokesman Yun Yo-chun said.

Referring to the frequent outbreak of international terrorism, Kim said that the government has already ordered the military and the police to take precautious measures against the possibility of a terrorist attack within the country.

Comment on Acts of Terrorism in U.S., Japan

SK2104082895

[FBIS Editorial Report] The following is a compilation from ROK vernacular dailies on 21 April of editorials and an article which react to the bombing of the U.S. federal office building in Oklahoma City, Oklahoma, with commentary on global terrorism.

The conservative CHOSON ILBO carries on page 3, an 800-word editorial entitled "Blind and Random Terrorism." The editorial stresses the terrorism recently committed in the United States and Japan are "unprecedentedly coward criminal acts" because they were "arbitrary and anonymous" without any clear target or motive, and point out the contrast with the "transparent" terrorism of the past. Assuming that the purpose of today's terrorist is to provoke terror in the masses, undermine society, and debilitate the state's authority, the editorial states: "This probably foreshadows a new type of warfare in a post-Cold War era."

The moderate TONG-A ILBO carries on page 3, a 900-word editorial entitled "Ever-Growing Terrorism." Noting that the random acts of terrorism committed against superpowers which "are proud of their excellent investigation ability, updated equipment, and powerful intelligence organizations," the editorial says: "No place in the world is safe from terrorism now." The editorial stresses that "terrorism against a state is more spiteful than any terrorism instigated by political, religious, or ideological groups," and recalls the fact that the "ROK has been a victim of North Korea's state terrorism." The editorial stresses the need to "strengthen the international cooperative system to cope with the common enemy of terrorism, which the world must fight together against to maintain a civilized society" and continues: "The international society should share the firm principle of never negotiating with terrorists."

The pro-government SEOUL SINMUN carries on page 3 a 600-word editorial entitled "The World Should Make Joint Efforts To Cope With Terrorism." The editorial states: "It seems that the recent series of terrorist acts support the analysis that although world order following the end of the Cold War will generally be inclined towards peace, minor disputes and terrorist activity is likely to increase because of cultural, racial, and religious conflicts." Noting that terrorist methods have become all the more ruthless, the editorial urges the world to take "strong joint measures with the United Nations as the center."

The moderate KYONGHYANG SINMUN carries on page 3, an 800-word editorial entitled "Global Village Stained With Terrorism" worrying about the future of the world that is constantly threatened by terrorism. The editorial notes: "We need to pay attention to the ever-increasing conflicts of mankind, such as in religion, trade, and social structure. It is getting difficult to guarantee the people's security merely with out-dated public security measures and without making efforts for a fundamental resolution of these conflicts."

KYONGHYANG SINMUN also carries on page 4, a 1,300-word article by senior reporter Kim Chong-che, who starts off by noting that "terrorism is more threatening than a war in which weapons of mass destruction, including nuclear weapons, are mobilized." The article attributes the recent wave of terrorism in advanced countries to "the new wall created between advanced societies at the forefront of pursuits in intelligence and globalization, and those who ride the new waves, oppose changes, or fall behind." The article points out the possibility of terrorists turning to nuclear materials, and stresses: "we cannot regard the recent events as not being of any concern to us as North Korea, a 'terrorist nation,' has posed nuclear threats." The article concludes by urging the people to build up mental defenses against such threats.

The left-leaning HANGYORE SINMUN carries on page 3, a 700-word editorial entitled "Terrorism That Upsets Two Super Economic Powers." The editorial attributes terrorism in the United States to "enduring social conflicts and angst" caused by the "serious gap between the rich and the poor," "severe discrimination against minorities," and "chronic social evils, such as drug-related crimes, AIDS, and violation." The editorial also notes that in Japan's case, the "ruin of the mentality of being productive and an absence of values that make for a healthy and spiritually and materially enriched society." The editorial then stresses: "It is important to bolster public security, and placate the shock of the terrorist acts committed in the two countries, and more urgently, to foster ideology and values that can properly guide society."

Brunei, Malaysia & Singapore

Malaysia

Need for 'Limited' Extension of NPT Noted

BK2104035195 Kuala Lumpur NEW STRAITS TIMES in English 19 Apr 95 p 12

[Editorial: "Looking Beyond the NPT"]

[FBIS Transcribed Text] The bargaining taking place at the conference to review the Nuclear Non-Proliferation Treaty (NPT) in New York about its survival, or more realistically, its lifespan, should not detract from the fact that the importance of the conference stretches beyond that. If the powerful have their way, and they often do, they will get "the rest" to agree to an indefinite extension of the treaty, but developing countries like Malaysia should continue to forward their grounds for a limited extension.

Most of the world acknowledges that the NPT has been instrumental in limiting the spread of atomic weapons, hence its continued survival is desired, but the current review provides the best, or perhaps, the last real opportunity to point to the flaws inherent in both the terms of the treaty and in its application. Requiring serious redressal is the fundamental discrimination of the NPT against the nuclear have-nots while favouring the haves, and to the overdue fulfilment of obligations under the NPT by a large number of states.

The signatories to the conference must press for the equitable application of the NPT to achieve the universal goal of an end to proliferation and the elimination of nuclear weapons. The political bargaining would have taken place, but reports suggesting the lack of a majority among the 175-member signatories for an indefinite extension of the treaty should perhaps prod developing countries to take the leverage for all its worth to address the existing deficiencies in the treaty. The nuclear capabilities of non-member countries like Israel, India, and Pakistan which is an open secret, the abilities of signatory countries like Iran and Iraq to undertake nuclear programmes, the implicit transfer of nuclear technology from some of "the five" to some countries desiring them, and the shortcomings in its monitoring and verification mechanism, extending to the possibility of a review of the role of the International Atomic and Energy Agency (IAEA) are among some of the issues which must be heard above the din of "to extend or not to extend."

Of no less import are issues of disarmament and a legally-binding security assurance on the use of nuclear weapons or the threat of use on non-nuclear weapon states. Developments in the post-Cold War period demand a review of the NPT to meet the new scenario such as the need to ban the production of plutonium and other fissile materials in the wake of their potential risks and abuses following the massive amounts of plutonium which will be made available from the dismantling of American and ex-Soviet nuclear weapons.

An extension without the attendant reexamination of the treaty and measures taken to rectify its shortcomings would effectively serve only to continue legitimising the acquisition of nuclear weapons by the nuclear powers and the preservation of their nuclear edge, encourage the abuse in the use of nuclear technology, and propagate or reinforce the motives of some signatory states to use the NPT as a deceitful cover for nuclear intentions. It would provide the arsenal of non-member countries like Israel to dismiss the ability of the NPT to enforce compliance. At the same time, the seeming acceptance of Pakistan's argument that it needs nuclear parity with non-NPT believer India could lead to similarly-styled justification: self-defence. The NPT has generally provided a major guarantee for nuclear security, but let's not forget its warts, and that now is the golden opportunity to cleanse itself of them.

* National Front Promises Jobs in Kelantan

95P30096

[FBIS Editorial Report] The 13 March Kuala Lumpur UTUSAN MALAYSIA in Malay on page 16 reported that the National Front has promised to provide 100,000 jobs for the people of Kelantan for the next five years if, during the next general election, they would throw their support behind the Front. According to National Front Chairman Datuk Annuar Musa, the government plans to implement various programs to attract more investors to Kelantan. In addition, Annuar stated that 20,000 scholarships will be offered to students who want to continue their education but cannot afford to do so. He promised that students, youths, and graduates will receive help from the government if the National Front wins.

Singapore

Daily Calls for Multilateral Talks on Spratlys

BK2104034495 Singapore BUSINESS TIMES in English 20 Apr 95 p 16

[Editorial: "China and the Spratlys"]

[FBIS Transcribed Text] If the line of a pro-Beijing magazine in Hong Kong is to be believed, Southeast Asia and the Pacific will soon be in for a bloody clash with China over the Spratlys. WIDE ANGLE, a Hong Kong monthly reportedly with close links to the Chinese military, is beating the war drums in support of Beijing's claim to the atolls in the South China Sea. In the issue published Sunday, the magazine suggested that China is losing patience and a war may have to be waged with the Philippines to deter others from challenging China's claim. WIDE ANGLE added that in the remaining years of the 1990s, Beijing will have to up the ante and settle the issue militarily before the "historic opportunity" is lost. "Judging from the current situation, the Chinese Communist Party's former plans will likely change somewhat. If repeated conciliation, warnings, and threats all prove ineffective, then the main target for waging war would probably be the Philippines," it was quoted as saying.

There has been no indication that WIDE ANGLE's views reflect official thinking in Beijing. If they do, it would be alarming indeed. Beijing's aggressive push into the South China Sea in recent months does not make sense, given China's need for a friendly environment to support its economic growth. The move has already created some unease in Southeast Asia where the majority of the claimants to the Spratlys are Vietnam and three ASEAN members—the Philippines, Malaysia, and Brunei. Indonesia, not a claimant like the three other ASEAN states, initially tried to stay above the fray. But with Beijing now reportedly staking a claim to part of the Natunas, Jakarta will be forced to take a firm stand. Malaysia has of late tried to be accommodating to China's interests, with Prime Minister Mahathir Mohamed saying China was no more a threat. But four days ago, Dr. Mahathir's foreign minister, Abdullah Badawi, publicly expressed concern over China's growing economic and political clout in the region. He said Malaysia and other ASEAN states were particularly worried about Beijing's posture in the South China Sea.

China may be testing how far it can go in asserting its Spratlys claim. ASEAN, and the Philippines in particular, must neither overreact nor be seen as weak in the face of provocation. The need now is to avoid a clash but to get tough on the diplomatic front. The Spratlys must be treated as what it is—a major international issue that can only be resolved at the multilateral table. Whether China likes it or not, the Spratlys is no more a peripheral problem that can be played down. It is a central issue and one which should be tabled at the ASEAN Regional Forum (ARF). This is an ideal forum for starting the multilateral talks on the disputed islands as the major regional and world powers, including China, are involved. The second ARF will be held in July in Brunei. The Spratlys issue should be tackled then before it gets any further out of hand.

Telecom To Develop Radio Paging Network in PRC

BK2004040295 Singapore THE STRAITS TIMES in English 19 Apr 95 p 39

[FBIS Transcribed Text] Singapore Telecom has made its foray into the Chinese telecommunications market with an agreement to develop China's first nationwide radio paging network. Telecom, through its overseas investment arm, Singapore Telecom International (STI), will invest [Singapore] $29 million in the Chinese project initially.

The first phase of the project, said Telecom, will see the establishment of radio paging service in 45 main cities in provinces like Guangdong, Fujian, Zhejiang, Jiangsu, and Shandong. Telecom was not able to comment on how many phases the entire project will be divided into.

In a statement, Telecom said an agreement was signed yesterday between STI, Beijing Asia Pacific Telecommunication Technology ,and Development Co. Ltd., and the Beijing Municipal Government.

Brigadier General Lee Hsien Yang, who has been appointed Telecom president and chief executive officer with effect from May 1,1995, was in Beijing yesterday for the signing ceremony.

A joint-venture company, called Beijing Asia Pacific First Star Communications Technology Co. Ltd., will be incorporated in Beijing to finance and construct the nationwide radio paging network. STI holds 35 percent stake in the company.

According to Telecom, network installation is scheduled to commence next month. Besides radio paging services, other value-added services will also be introduced through the network.

STI currently has 24 investments in 13 countries, including Cambodia, Indonesia, Vietnam, and the United Kingdom.

Cambodia

Sihanouk Not To Permit Pol Pot Return to Power

BK2004085095 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 20 Apr 95 p 11

[FBIS Translated Text] The Cambodian king, His Majesty Norodom Sihanouk, said that in Cambodia if Pol Pot died, the Khmer Rouge problem would end; however, there are still some small problems at the moment because Pol Pot is not dead yet.

This is the second time the king has said this since returning from medical treatment in Beijing on 5 April. He said it the first timest Monday [17 April] in Preah Kosomak commune in Kompong Chhnang Province. He expressed sadness and pain over events that took place when Pol Pot was in power, during which time nearly 3 million Cambodians were massacred; furthermore, the king lost five children and 14 grandchildren. He also said the Royal Government of Cambodia has implemented very well the policy to reconcile the nation, but Khmer Rouge leaders such as Ta Mok, Ieng Sary, and Pol Pot have not yet changed their attitudes.

The king said this while inaugurating Samraong High School in Rumduol District, Svay Rieng Province, on 17 April. He further said that family separation caused great suffering during the Pol Pot regime. Therefore, all Cambodians should prevent the Khmer Rouge from returning to power so that we can live with sufficient freedom. Currently, we live under a regime that is sufficiently democratic.

His majesty the king further said that everything has improved except some problems created by the Khmer Rouge, who are different from other people; no other countries have a Khmer Rouge like Cambodia. Pol Pot was born with ideas different from others. Thus, if Pol Pot died, these ideas would also end. He further said that he does not pray for Pol Pot's quick death because he is a Buddhist; however, he is convinced that if Pol Pot died the Khmer Rouge problem would end because the Khmer Rouge is Pol Pot's idea; this is called Polpotism.

He said that as far he is concerned, those who accuse him of liking the Khmer Rouge are completely wrong. The Khmer Rouge have killed the Cambodian people and his relatives and imprisoned him; he suffered greatly. All Sihanoukists were killed by the Polpotists. Some survived by hiding themselves or by insulting Sihanoukism. Therefore, if they say that I like Pol Pot, sorry, that is not at all true. What I like are the people, children, and grandchildren. "Sihanouk absolutely does not like Pol Pot and absolutely will not let him return to power." He further said that if Pol Pot wants to use a gun to force or to kill him, go ahead; as for forcing him to accommodate the Polpotists, he absolutely will not do so, because the Khmer Rouge have made the Cambodian nation suffer; the nation almost disappeared and almost died. Our nation has been revived; we should get together and be a national force to defend the people's rights, freedom, well-being, and the future of our motherland with its integrity, independence, territorial sovereignty.

Ranariddh on Anniversary of Khmer Rouge Takeover

BK1904013195 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 18 Apr 95

["Telephone interview" with First Prime Minister Prince Norodom Ranariddh by an unidentified French correspondent; place, date not given—read by announcer]

[FBIS Translated Text] [Correspondent] My respects to you, Samdech Krompreah. For most Cambodian people, 17 April 1975 was a mournful day and is filled with bitter memories. In your opinion, what is the importance of 17 April 1975 in the pages of Cambodian history?

[Ranariddh] In fact, on this 17 April, the majority of Cambodians still remember that 20 years ago it was a most woeful and mournful day for the Cambodian people because of the genocidal regime of Mr. Pol Pot and the Khmer Rouge. I am of the view that we should accept 17 April as a lesson for the Cambodian people and should do our utmost to prevent such a regime—a regime of genocide, a regime of human rights violations, a regime that killed its own nation—from returning to the Kingdom of Cambodia at all costs. Also, we should keep 17 April in mind as a lesson with a view to ensuring security and peace for the Cambodian people.

[Correspondent] In your opinion, after 20 years, should the Cambodian people forget that dark era or should they continue to remember it as a lesson for the future?

[Ranariddh] In my view and in the view of all Cambodian people across the country, on 17 April 1995 we should commemorate our greatest distress and remember a regime that violated all kinds of human rights in the country and killed its own people. This is to prevent it from returning to our Kingdom of Cambodia after 20 years. That regime constitutes the most bitter part of Cambodia's history. While remembering, we should also try somehow to forgive our compatriots the Khmer Rouge, except the murderous leaders such as Pol Pot, Ieng Sary, Ta Mok, and so on. The majority of low-ranking Khmer Rouge members and cadres have now returned to the national community and are cooperating in serving the country, the nation, the motherland, and the Kingdom under the cool shade provided by his majesty the king.

Hun Sen: 'No Criminal Offense' Against Press

BK2104074695 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 21 Apr 95 pp 1, 11

[FBIS Translated Excerpt] Second Prime Minister Samdech Hun Sen told reporters in front of the National Assembly's conference: "All of you (journalists) can rest assured that in the press law, there will be no clause on the criminal offense against journalists for defamatory acts. This is the policy of the two prime ministers...therefore, this is no longer a problem to be raised again, because what you wanted is now fulfilled. However, what I want in return is that after you get this freedom, can you please not forget to have a sense of responsibility?"

Samdech Hun Sen said this when he was asked by reporters about the press bill that the government proposed to the National Assembly for approval at its plenary session, which opened on the morning of 19 April. [passage omitted]

Samdech Hun Sen said that the MP's from the government side have worked jointly with the National Assembly's experts to amend the bill and reintroduce it to the National Assembly. [passage omitted]

In the previous press bill of the government, it was written that an imprisonment term of from eight days to three years will be meted out to journalists found guilty of defamatory acts.

Samdech Hun Sen added that "we have learned about and accepted the desire of the journalists and some countries.

"Diferent countries have different type of laws. The punishment in some countries is severe while in some others it is very mild. In the end to be severe or mild is the decision of each country. As for Cambodia, if that is what you want, we fulfill it for you. Cambodia does not belong to any particular person alone. It belongs to the Cambodian people."

The plenary session adjourned on the morning of 19 April after ending debate on the first agenda. In the afternoon, the Standing Committee of the National Assembly held its session to make a final decision on the amendment of the press bill.

Communique on Khmer Rouge 'Cabinet' Meeting

BK1804091895 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 17 Apr 95

["Press communique" issued by the secretariat of the Provisional Government of National Union and National Salvation cabinet on 17 April; place not given]

[FBIS Translated Text] The cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly working session on Monday, 17 April, under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the National Army, and with the participation of all its members.

I. Communist Vietnam, the alliance, and the lackey two-headed government are suffering an extremely serious defeat during this 17th dry season. They are losing in all fields and sectors—political, economic, financial, and diplomatic. In particular, they are losing heavily in the military field. The profound and fundamental cause of their serious defeat, which is leading toward their total collapse, resides in the fact that the entire Cambodian nation and people seethingly and fiercely oppose, reject, and antagonize them.

As far as the national issue is concerned, our nation and people resolutely oppose the communist Vietnamese enemy and jointly struggle again and again to prevent them from wolfing down and swallowing up Cambodia. Our Cambodian nation and people clearly see, sense, and understand that communist Vietnam poses a major danger to the Cambodian nation, people, and race at all times—in the past, at present, and in the future for generations to come.

Our entire nation and people—including peasants in the countryside, citizens in Phnom Penh of all social strata, as well as our brothers living abroad—resolutely oppose the presence of the 4 million ethnic Vietnamese who are wolfing down Cambodia and grabbing all its resources, land, paddies, forests, rivers, lakes, seas, islands, and businesses. This generates a constantly acute life-or-death contradiction. Communist Vietnam has portioned off and misappropriated our territories, islands, and seas by the tens of thousands of square kilometers. That also generates a simmering life-or-death contradiction, causing the flames of national hatred to rage constantly in the hearts of our nation and people. The communist Vietnamese puppet administration's practice of monopolistic, dictatorial, and fascist rule—in both the legislature and executive, in the ministries and departments as well as the police and Army, and from Phnom Penh down to the villages—also repeatedly generates very seething opposition. This is because our nation and people want national reconciliation. They want to see national forces of all political shades and colors united as a single body fighting to save the Cambodian nation and race from being crushed in the jaws of communist Vietnam.

As for the social, economic livelihood, and security issues, our Cambodian nation and people are in constantly seething opposition to the two-headed government because millions of people are starving; because the communist Vietnamese puppet administration is repeatedly using all kinds of fascist and cruel acts to conscript soldiers, policemen, and militiamen whom they send to fight, die, and get maimed one after another; because it engages in robbery on a massive scale, ransacking villages and communes and robbing people along travel and trading routes during the dry season as well as the monsoon; because it is extremely corrupt, is rotten to the core, and tries to pervert and pollute our national soul; and because the living conditions of our people continue to deteriorate and worsen.

The two-headed government and its bosses, the old and new aggressors, are suffering a crushing defeat amid this seething national and social opposition. In such a situation, nothing can save or rescue the two-headed government. Its fate is sealed. It will surely collapse and sink.

II. More than any other time, the forces fighting for genuine national reconciliation and peace in Cambodia—including the forces of our Cambodian nation and people and the forces of people in the region and the world—have the upper hand over the enemy in all fields and sectors. They clearly see that as long as the communist Vietnamese puppets continue to hold monopolistic and dictatorial control and communist Vietnam's war of aggression against Cambodia continues to rage furiously and pose a serious danger to the Cambodian nation, people, and race as well as a constant menace to peace and stability in the region and the world, they—that is, all these forces—will not stop joining with each another to fight and oppose them until genuine peace is restored to Cambodia.

Riding the crest of the superior position achieved by our national salvation struggle, and at a time when both the old and new enemies and the two-headed government are sinking and collapsing in the bubbling volcano of national and social contradictions, our entire people continue to join in the struggle for national, popular, and racial salvation even more enthusiastically in order to achieve national reconciliation, bring about peace, and end communist Vietnam's war of aggression quickly.

In the countryside, our brothers continue to implement the policy of guerrilla and people's warfare and use mines and punji stakes effectively while adhering to self-reliance. They are continuing to smash and sweep away the cruel military and civilian administration of the communist Vietnamese puppets, preventing them from worming into the midst of our people. In Phnom Penh and abroad, our brothers continue to fight for an end to communist Vietnam's war of aggression against the nation and people; demand national reconciliation; and oppose and reject the monopolistic, dictatorial, and extremely corrupt and decaying communist Vietnamese two-headed puppet government.

In light of the strong development of our nation and people's struggle as well as the headlong plunge of the two-headed government, the sacred wish of our entire Cambodian nation and people will surely be fulfilled in the near future. Our Cambodian nation, people, and race will surely be saved, protected, and perpetuated.

Monday, 17 April 1995
The Secretariat of the PGNUNS cabinet

Official Discusses Efforts To Promote Tourism

BK2104023495 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 20 Apr 95 p 4

[FBIS Summary] According to Pak Sokhom, an official of the Tourism Ministry in charge of market study and dissemination, the Royal Government of Cambodia, through the Ministry of Tourism, has made efforts to publicize the potential of tourism in Cambodia and to attract foreign tourists. The efforts include last month's exhibition in France, the dispatch of a delegation to take part in the five-day fifth international trade fair in Hanoi in early April, and the plan to present Cambodian artists and cooks in Hong Kong in the coming month.

At the recent international trade fair in Hanoi, Pak Sokhom said 300 private companies from 21 countries were present. Cambodia put on an exhibition showing paintings of the Angkor Wat and Bayon temples, wood carvings, and textiles. The Cambodian delegation also gave out a Cambodian tourism magazine in English and brochures on travels to Cambodia and investment law; it was also contacted by over 20 foreign travel companies who plan to bring tourists to Cambodia through Vietnam.

Indonesia

Official Criticizes Visit by U.S. Rights Team

BK2104043195 Jakarta REPUBLIKA in Indonesian 20 Apr 95 p 1

[Unattributed report]

[FBIS Translated Text] Jakarta—Sabam Sirait has severely criticized the visit of a U.S. State Department delegation led by Assistant Secretary of State John Shattuck to collect information on the implementation of human rights in Indonesia. The member of Commission I [in charge of foreign affairs, defense, security, and information] of the House of Representatives of the Republic of Indonesia said that the visit had not only undermined the sovereignty of the Republic of Indonesia but had also amounted to an act of interference. "That is blatant interference and very unethical," he told reporters at the House of Representatives of the Republic of Indonesia yesterday. Sabam regretted the attorney general's action in receiving the U.S. delegation. Accordingly, he asked President Suharto and officials not to entertain them. They should even be expelled if necessary.

The U.S. State Department delegation called on Attorney General Singgih on Tuesday (18 April). The delegation asked the attorney general about human rights, labor, the revocation of three mass media licenses, and the freedom of nongovernmental organizations. In Surabaya one day earlier, the delegation asked East Java Governor Basofi Sudirman about the role of the East Java Provincial Administration in handling labor issues. The delegation is scheduled to stay in Indonesia for nine days.

Sabam regarded what had been done by the U.S. delegation as a violation of the sovereignty of another nation. "I cannot afford to see Indonesia's dignity being trampled. There is no need to teach this nation about human rights. They themselves should instead be taught about how to respect the dignity of other nations," he said.

If the U.S. Government wants to question the implementation of human rights in Indonesia, it can do so through a UN-led human rights monitoring agency which meets in Geneva or a world interparliamentary forum. "Discuss it there," he said.

Meanwhile, Ali Said, chairman of the National Commission on Human Rights considered the visit of the U.S. State Department delegation normal. "It is not abnormal," he said in reply to REPUBLIKA's question yesterday. He refused to equate John Shattuck's activities with those of J.P. Pronk, Netherlands minister for development cooperation, before the IGGI [Intergovernmental Group on Indonesia] was dissolved.

The National Commission on Human Rights itself received the U.S. State Department delegation on Tuesday (11 April) [date as published]. The two sides exchanged views on the human rights situation in Indonesia. The delegation has observed the behavior of the National Commission on Human Rights in such cases as Marsinah [a female labor activist murdered in East Java] and Liquica [an incident in East Timor].

"They have noted the stance of the National Commission on Human Rights on openness. They have also welcomed the commitment of the National Commission on Human Rights to the protection of human rights in Indonesia," Marzuki Darusman, vice chairman of the National Commission on Human Rights, said while regarding the visit of the U.S. State Department delegation as a courtesy call.

According to him, it is better for the United States to know more about the implementation of human rights in Indonesia through visits to Indonesia rather than through superficial information. "We, thus, hope that there will be a more objective, profound, and realistic assessment of the human rights situation in Indonesia," Marzuki said.

Editorial Views Visit

BK2004134795 Jakarta REPUBLIKA in Indonesian 19 Apr 95 p 6

[Editorial: "The U.S. Human Rights Team Visit"]

[FBIS Translated Text] Two high-ranking Indonesian officials were "visited" yesterday by a United States team headed by John Shattuck, assistant secretary of state for democracy, human rights and labor. The officials were East Java Governor Basofi Sudirman and Chief Justice Singgih. While in East Timor, the team inquired about labor issues and the human rights situation in general. According to the Justice Department public relations official, the meeting between the team and the chief justice was conducted in a "cordial manner." The team also inquired about Mokhtar Pakpahan, chairman of the All-Indonesia Labor Union, who is serving a jail term, and the bans imposed on the weekly magazines TEMPO, EDITOR and DETIK. We will not know if any other officials or issues will be "ransacked" by the team during its nine-day visit.

The visit of the American team, despite its casual attitude, will not fall short of the fact that it is conducting an "investigation" into the implementation of human rights in Indonesia by interrogating a number of high-ranking officials. As such, these investigations could become important and interesting topics for discussion. For example, while we are considering the question of national sovereignty, we can also ask ourselves whether we acted correctly by opening our doors wide to such an investigation by a foreign country. The East Java governor's warm welcome and the "cordial manner" in which the team conducted its meeting with the chief justice gave the impression that there was nothing to worry about.

We remember a similar case involving Netherlands Minister for International Cooperation Jan Pronk. Pronk, who made regular visits to Indonesia and wended his way through desolate villages and slums, was finally considered to be interfering grossly in domestic affairs and stretching the government's patience too far. His party supporters were pleased with the domineering attitude in which he conducted his observations on various issues. As a result, the Indonesian Government finally rejected all forms of assistance from the former colonialists because of this attitude. In addition, Indonesia also renounced the Netherlands-sponsored IGGI [Inter-Governmental Grant on Indonesia] program.

Are we changing our policy when we extend a warm welcome to the American human rights team? Are we prepared to face American economic and political pressures, which are more compelling than those applied by the Netherlands? We have yet to know clearly whether people accept or oppose the visit of this team and whether it will link its investigations to the imposition of certain economic sanctions. Are we prepared to merely accept the team's visit only in the context of social relations, that is, to only conduct a meeting in a "cordial manner" and disregard such a visit as a father checking on his son's elementary school report card, as was previously done by Pronk? We know that some form of political pressure exists behind the two attitudes.

We would like to propose that the team visit other places in addition to Indonesia. It is an open secret that the United States—a superpower that does not hide its intentions of becoming an international policeman—employs a double standard in its investigative actions concerning other countries. In its actions, the United States makes surprising and confusing selections, although from its own rigid national interests, these selections can be regarded as only natural.

Besides Surabaya and Jakarta, it would be delightful if the team, under whatever name the U.S. Government chooses to call it, chose to visit the Gaza Strip, Sarajevo or other places where human rights are blatantly and grossly violated by Israeli and Serbian troops, as well as other places so that they may draw comparisons with Indonesian violations of human rights. It is unnecessary for us to propose that the team call for the scrupulous enforcement of human rights in the United States, particularly the implementation of ethical human rights among the black and Indian communities because, by doing so, it would be tantamount to "interfering in another country's domestic affairs." It is also unnecessary for us to propose that the team make more frequent visits to Beijing, after the strong rebuff the United States received from the Government of China—despite the fact that the threat by the United States to impose trade sanctions against China finally concluded with China making several concessions.

The enforcement of human rights in a number of areas in Indonesia truly needs to be more consistent. Criticisms will definitely be made of the country if human rights are enforced in a shabby manner. We will definitely extend a warmer welcome to Shattuck and his team, however, if they truly come with the intention of merely observing how the government and its people personally settle human rights issues. Particularly since such issues were outlined by an international communications mechanism in which the U.S. Government itself was involved.

Officials May Be Summoned Over Germany Protests

BK2104081395 Jakarta MERDEKA in Indonesian 20 Apr 95 pp 1, 10

[Italicized passages in English]

[FBIS Translated Text] Jakarta, Wednesday, MERDEKA—MPs are of the opinion that Republic of

Indonesia police investigators can summon and question state officials who accompanied President Suharto on a visit to Germany, over demonstrations that took place during the visit.

"State officials who were in the presidential delegation can be summoned and questioned to the settle the matter once and for all, but that will be up to the investigators themselves," Rustandi, MP from the Armed Forces of the Republic of Indonesia, said in Jakarta on Wednesday (19 April).

Meanwhile, Indonesian Democratic Party MP Sabam Sirait suggested that there should be more witnesses apart from Sri Bintang Pamungkas [a United Development Party MP] and journalists who were in President Suharto's delegation. B.J. Habibie, minister of state for research and technology; Minister and State Secretary Murdiono; Foreign Minister Ali Alatas; and Trade Minister Satrio Budiharjo Yudono are among those proposed as additional witnesses.

"Information from the state officials is highly necessary because they happened to be at the demonstration sites," the member of House Commission I in charge of foreign affairs, defense and security, and information said while citing reports that B.J. Habibie held a dialogue with a demonstrator.

United Development Party MP Muhammad Mansyur gave a similar view. He said that officials of the Embassy of the Republic of Indonesia in Germany, including the defense attache, should be summoned and questioned because they saw the demonstration in Dresden, Germany on 5 April.

Rustandi said that the summoning of a state official must be based on special legal procedures. According the procedures, a written request must be submitted to the president.

"There are, however, different types of summoning. An official may be summoned as a witness of or simply asked to give information about an incident," the deputy chairman of House Commission III in charge of legal affairs said.

According to earlier reports, Habibie disclosed during a meeting with the German economic minister and his delegation last Friday (14 April) that he countered the mockery of a demonstrator. Habibie said that he knew precisely the involvement of an East Timorese in the demonstration. Habibie even said that the person has a physical appearance similar to that of Ruud Gullit (a Netherlands footballer).

Rustandi said that Indonesian law is based on territorial and personal principles. Based the territorial principles, anybody, including a foreigner will be prosecuted for any criminal offense in Indonesia, while the personal principles allow Indonesian law enforcers to prosecute any Indonesian national who commits crimes outside Indonesia.

"Although the German Government does not consider the Dresden demonstration unlawful, the Republic of Indonesia police can treat the demonstration as a criminal offense because the demonstrators insulted the president," the MP from the Armed Forces of the Republic of Indonesia said.

Mansyur said that the undesirable incident should have been anticipated. "The incident occurred due to the negligence of the president's assistant," he said.

Kohl Must Apologize

Based on information that he had obtained, the demonstrations in Dresden and Hannover went beyond normal limits. Although the local officials had apologized to President Suharto over the demonstrations, Kohl should apologize to the Indonesian people, too, for the sake of the friendship between the two countries.

The MP from House Commission X [in charge of science and technology] said that he was in Germany for nine days from 31 March to 8 April. He made a two-day stopover in Amsterdam on the way home. He and nine other members of Commission X were invited by the minister of state for research and technology and head of the Agency for the Development of Strategic Industries to attend the Hannover *Fair*along with the president. The other nine members are Markus Wauran, Fakhruddin, Suratman, Alif Meliana, Khalid Muas, Harris Ali Murfie, Gazali Amna, Laksmiary Priyonggo, and Wazaraka.

Mansyur said that he met Sri Bintang Pamungkas at the gate of the Hannover *Fair*after President Suharto left the site.

Mansyur said that he was unaware of the demonstration at the Hannover *Fair*because the Commission X delegation was in the Indonesian Pavillion when the demonstration took place. "On my way out, I met Bintang, who was on his way in. We exchanged jokes and took pictures," Mansyur said.

In reply to questions about the contents of posters carried by the demonstrators, Mansyur said right away: "I myself did not see the demonstrators. They, however, reportedly carried posters about human rights."

Trial by the Public Opinion

Meanwhile, Marzuki Darusman, member of the National Commission on Human Rights, noted that the current investigation of Sri Bintang Pamungkas is to gather information from him. Thus, he called on all parties to avoid mobilizing the public opinion to conduct a trial by the public opinion.

"All parties should not overreact to or eagerly hold protests over the case. All must strictly abide by the principles of the presumption of innocence," Marzuki said.

Intellectual Property Rights Protection Planned

BK2004124295 Jakarta THE JAKARTA POST in English 13 Apr 95 p 2

[Report by T. Sima Gunawan]

[FBIS Transcribed Text] Jakarta (JP)—A revised copyright law, scheduled to be completed this year, will acknowledge not only copyrights but also so-called "neighboring rights" as well as other related rights which are not covered in the 1987 Copyright Law.

Director General for Copyrights, Patents and Trademarks Nico Kansil said yesterday that the revised law will provide added legal protection to composers, performers, producers and broadcasters.

"It will also regulate rental rights in cinematographic works," Nico told THE JAKARTA POST.

Indonesia is working on the revisions of the three laws on copyrights, patents and trademarks, in line with the Trade Related Aspects of Intellectual Property Rights (TRIPS) agreement, which took effect on January 1. Indonesia and other developing countries, however, have five years to adjust their laws accordingly.

Nico said that the amended copyright law, to be completed this year, would extend the length of legal protection for copyrights in computer programs from 25 years to 50 year.

The rights for patent holder will also be extended to 20 years. Under the 1989 Patent Act, the inventor is entitled to 14 years of legal protection which can be extended to another two years.

"The revision of the 1992 trademark law will deal with among other things, geographical indications, the indication of source and the appellation of origin," Nico said.

In accordance with the TRIPS agreement, Indonesia will also draft new laws on industrial design, integrated circuits and trade secrets, which are scheduled to be completed some time in 1996.

"In the meantime, we will continue to hold campaigns to improve the awareness of the public, business people as well as law enforcers in the field of intellectual property rights," Nico said.

Nico, who was accompanied by director of copyrights, Sufjan Suradimaja, expressed concerns over the light sentences meted out by judges who tried intellectual property rights cases.

He called on judges, as well as others in the legal field, to show "more responsibility especially now that Indonesia has signed the GATT treaty.

"They should understand the consequences of signing the agreement," Nico said.

He acknowledged that there were still rampant copyright violations in the area of computer software. In this case, he suggested that the Indonesian Computer Software Association play a more active role in eliminating the offense.

Watch list

The Washington DC-based International Intellectual Property Alliance claims that U.S.-based companies suffered U.S.$154 million in property rights violations, due to piracy of computer programs ($92 million), motion pictures ($10 million), audio recordings and musical compositions ($12 million) and books ($40 million) in 1994.

Earlier this year, the alliance as well as the U.S.-based Information Technology Council, recommended that the U.S. Trade Representatives [USTR] move Indonesia from the USTR watch list to its priority list.

"You can't compare Indonesia with the United States, which is established," Nico said. "We are different but we are striving to improve things."

"I hope they will understand and turn down the recommendation to place us on the priority list," he added.

During the past six years, Indonesia has been on the U.S. watch list for a lack of intellectual property right protection.

Nico said there are 389 employees, including 37 patent examiners, in his office, while ideally there should be between 500 and 600 employees. Nico said that the office needs between 75 and 100 patent examiners to handle the huge number of patent applications.

Since the Patent Act took into effect on August 1, 1991, the office has registered about 10,000 patent applications. Most of them are still in the process.

Laos

Condolences Sent to CPC on Chen Yun's Death

BK2004131095 Vientiane KPL in English 1011 GMT 20 Apr 95

[FBIS Transcribed Text] Vientiane, April 20 (KPL)—The Lao People's Revolutionary Party Central Committee on April 13 sent a telegram of condolence to the Communist Party of China.

We feel profound sorrow at the passing away of Chen Yun, a senior leader of China, read the telegram.

He was one of the best leaders of the party and state, an accomplished politician, revolutionist, economist, and social activist. His tasks contributed to the national development of China in the past and in the new period.

The passing away of Chen Yun is a great loss to the party and the state of China. The Lao party and people regard this sad event as the loss of a great and close friend.

"We share the sadness of the Communist Party Central Committee, the people of China and the bereaved family of this great man, Chen Yun," added the telegram.

Chinese Army Delegation Concludes Visit

BK2104040995 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 19 Apr 95

[FBIS Translated Text] The delegation of the Chinese People's Liberation Army [CPLA] General Staff Department concluded a friendship visit to our country with brilliant success.

From 13 to 16 April, the delegation of the CPLA General Staff Department headed by Comrade General [Gen.] Zhang Wannian, member of the Central Military Commission and chief of staff of the CPLA General Staff Department, together with his wife, ended the friendship and working visit to our country with brilliant success.

During the visit, the delegation was warmly welcomed by Comrade Lieutenant General [Lt. Gen.] Ai Souli-gnaseng, member of the Lao People's Revolutionary Party [LPRP] Central Committee and chief of the Lao People's Army [LPA] General Staff Department, and his wife as well as high- and medium-level military officers attached to the Ministry of National Defense. The delegation laid a wreath at the monument of revolutionary combatants and visited the Mekong friendship bridge and the national multiethnic cultural center, and (?a temple) in Vientiane.

On 14 April at the Latsavong Hotel, the delegations of the LPA and CPLA General Staff Departments held official talks. The Lao side was headed by Comrade Lt. Gen. Ai Souli-gnaseng, member of the LPRP Central Committee, deputy minister of national defense, and chief of the LPA General Staff Department; and the Chinese side by Comrade Gen. Zhang Wannian, member of the Central Military Commission and chief of staff of the CPLA General Staff Department. At the talks, the two sides exchanged views on the international, regional, and domestic situations of mutual interest. They reaffirmed continued aspiration to further strengthen the friendship and multifaceted cooperation between the two sides. After the meeting, the two sides signed a bilateral cooperation protocol. Signing the document were Comrade Lt. Gen. Ai Souli-gnaseng for the Lao side and Comrade Gen. Zhang Wannian for the Chinese side. On the evening of the same day, the Chinese delegation visited and viewed a combat training session performed by students of the LPA's intermediate-level combined corps training school.

On 15 April, the delegation visited Xieng Khouang Province where it was accorded an honorable welcome by Comrade Phoumi Thipphavon, member of the LPRP Central Committee and governor of the province, together with members of the administrative committee and military officers there. The Xieng Khouang provincial governor took the opportunity to arrange a reception for the delegation under an atmosphere of warm friendship. The delegation later visited a parachute training and other combat training activities performed by combatants attached to the LPA Unit A-4. It also visited the Plain of Jars which is famed for its ruins since ancient times.

On the afternoon of the same day at the reception room of the National Defense Ministry, Comrade Lt. Gen. Choummali Sai-gnason, member of the LPRP Central Committee Political Bureau and national defense minister, received a courtesy call of the delegation of the CPLA General Staff. On the same evening, the minister and his wife warmly hosted a banquet in honor of Comrade Gen. Zhang Wannian, his wife and entourage. The guests were entertained to Lao folk artistic performances presented by a troupe of the national music and artistic training school.

On the morning of 16 April at the Hokham reception hall, Comrade Nouhak Phoumsavan, member of the LPRP Central Committee Political Bureau and president of state, received a courtesy call of the delegation of the CPLA General Staff Department. At the meeting, Comrade Nouhak Phoumsavan welcomed and hailed the visit to Laos by the delegation, terming it as a contribution to strengthening the time-honored solidarity, friendship, and cooperation between the two countries as well as between the Lao and Chinese Armies.

At noon on the same day, the delegation ended its visit to our country and departed for the SRV for a visit. A farewell ceremony was officially held for the delegation at the Latsavong Hotel in the presence of Comrade Lt. Gen. Ai Souli-gnaseng, member of the LPRP Central Committee, deputy minister of national defense, and chief of the LPA General Staff Department; high-ranking military officers attached to the National Defense Ministry; and comrades charge d'affairs and military attaches of the PRC and the SRV in Laos.

Philippines

Abu Sayyaf Financier Said Linked to CIA

BK2104061895 Manila PHILIPPINE DAILY INQUIRER in English 18 Apr 95 pp 1, 11

[Report by Cynthia D. Balana]

[FBIS Transcribed Text] Is the US Central Intelligence Agency [CIA] involved in the terroristic activities here of the Abu Sayyaf?

The local intelligence community has been asking this question since the name of Saudi businessman Mohammed Jamal Khalifa surfaced in its files as the financier of the extremist group.

Khalifa reportedly played a key role in a CIA-backed, anti-Soviet resistance movement in Afghanistan.

Intelligence officials said they encountered Khalifa's name as early as 1993 when the Abu Sayyaf started sowing terror in Zamboanga, Sulu and other parts of Mindanao.

Khalifa is an in-law of billionaire Osama bin Laden, who bankrolled Arab volunteers to fight in Afghanistan during the 1980-89 war against the Soviets and has since been accused by Yemen, Egypt and Algeria of financing subversion.

A report by the Philippine National Police [PNP] said Khalifa, who was formerly connected with the Middle-East-based Rabitah, has been facilitating international financial support to the Abu Sayyaf.

It also said Khalifa was heavily involved in the CIA-assisted Afghan resistance against the Soviets, in which most Abu Sayyaf leaders, particularly Abdurajik Abubakar Janjalani, took part as members of the International Islamic Brigade.

Khalifa was arrested last December in Santa Rita, California, for allegedly falsifying his visa application. He is being held without bond in San Francisco pending deportation.

While in the Philippines, Khalifa and other Arab "missionaries" were said to have succeeded in penetrating mosques in Basilan, "preaching and giving sermons."

Prominent in the sermons, it is said, was the promotion of revolution and other radical propaganda against the government.

Islamic fundamentalism, which the Abu Sayyaf upholds, subsequently won a large following even among commanders of the Moro National Liberation Front, the PNP report said.

Islamic base

Intelligence reports said that in Western Mindanao, the base of Islamic fundamentalism is the Almakdum University in Pitogo, Zamboanga City.

The university, which went bankrupt, was supposedly revitalized and operated by the International Islamic Relief Organization. It is supposedly now being supervised by two "Palestinian missionaries" by the name of Khalita and Muhammad Sabri/Sali. Teachings in this university are said to include martial arts and the handling of firearms and explosives.

Asmad Abdul, the intelligence officer of the Abu Sayyaf who was killed while in the company of Southern Command [Southcom] officials in the Southcom headquarters, used to teach military tactics at the university, the reports said.

Khalifa supposedly gave Asmad a house and lot in Zamboanga City "as a gift," the reports added.

It is said that the extremists have slowly gained ground through the organization of the Islamic Zuhur (congregation) in the urban centers.

Male Muslims are supposedly invited to attend the activity where they repeatedly recite a verse in the Quran, "Zalikum, Hayrullakum in Kuntum Talahman," which means all believers of Islam are duty-bound to submit their loved ones to the will of Allah by performing "Jihad Fee Sabilillah (holy war)."

According to military records, the extremists figured in 26 bombing incidents, 21 kidnappings, 132 liquidations/assassinations, and 28 firefights with government forces in 1991-1994.

They are said to have been busy recruiting high school students in Isabela, Basilan, for training on demolition and explosives handling.

In 1994, intelligence reports said, the Abu Sayyaf stepped up recruitment activities in Luuk and Bud Daho in Patikul, Sulu; Lebak, Sultan Kudarat; Malapatan, Sarangani; Zamboanga City; the Davao area; and certain towns of Maguindanao.

In Central Mindanao, recruits were supposedly promised P [Philippine pesos] 5,000 each as a form of incentive.

Alliance

The Abu Sayyaf reportedly forged a tactical alliance with the Moro Islamic Liberation Front which, according to intelligence sources, has waged increased armed offensives because of its exclusion from the peace talks between the government and the MNLF.

Sources said the military believes that the rise of Islamic fundamentalism in the Philippines is a reaction by the traditional members of the Islamic community to the impact of Westernization.

MNLF Links Abu Sayyaf Financier, Tuburan Fire

BK2104092795 Manila THE MANILA CHRONICLE in English 19 Apr 95 pp 1, 7

[Report by Eric Garafil and Bella de Mesa]

[FBIS Transcribed Text] Mohamad Jamal Khalifa of Saudi Arabia, the leading Abu Sayyaf financier, was present during the burning of several barangay [village] in Tuburan town in Basilan two years ago.

This was disclosed yesterday by Ibrahim "Abet" Iribane, chairman of the Moro National Liberation Front (MNLF) peace talks secretariat.

Iribane said Khalifa, now jailed in Santa Rita, California, for falsifying his visa, was seen in action in the Tuburan fire on Basilan island in February 1993.

He said the Abu Sayyaf set fire on Tuburan after ambushing a Philippine Marine patrol and killing 21 soldiers.

Iribane said Khalifa, who had established a local mercy mission with the help of several Basilan townsfolk, was among those who helped the fire victims. He later established contacts with Abdurajak Abubakar Janjalani, leader of the Abu Sayyaf, which was then still a small band of armed men operating in Camp Al Madinan within the Sampinit Complex.

Intelligence reports said Khalifa's network has links with extremists in Iraq, Jordan, Turkey, Russia, Malaysia, the United Arab Emirates (UAE) Pakistan, Syria, The Netherlands, Albania, Morocco, Romania and Lebanon.

Iribane said Khalifa also recruited young Muslims from the Philippines for the Mojahedin in its fight against Soviet forces between 1979 and 1992. It was during this period when the US fought a proxy war in the region against Russia by conducting covert operations and training freedom fighters.

The Central Intelligence Agency (CIA) trained the Mojahedin and supplied them with state-of-the-art weaponry and skills. He said Khalifa could indeed be a CIA agent, making his arrest in California a US ploy to suspend his operations in the Philippines.

"We have to dig more about Khalifa and his companions so that we may know how he managed to penetrate the extremist groups in the country," Iribane said.

He said Khalifa's arrest could not be a product of intelligence work since falsification of the US visa is common among aliens trying to enter the US.

He also said there is no need for the MNLF leadership to disclose the identities of its field commanders to the government since it is not a necessary factor in the peace talks.

"It will not be of any help," he said.

Iribane claimed that the attack on Ipil by the Abu Sayyaf destroyed the concept of jihad which the MNLF waged in Mindanao in the early '70s.

He said the Abu Sayyaf has already lost the sympathy of the majority of both the Muslims and Christians in Mindanao because of their terrorist activities.

Iribane said the break-up of the group of Melham Alam from the mainstream of the MNLF to establish his own group, the Islamic Command Council that claimed responsibility for the Ipil damage, will not affect the MNLF leadership and its role in the peace process.

In 1933, the so called Magic 8 group with a following of 60,000 led by Tupay Loong, now governor of Sulu, and Gerry Salapuddin, unseated governor of Basilan, abandoned the MNLF but failed to make a dent on the leadership," he claimed.

The group of Hashim Salamat, who established the Moro Islamic Liberation Front (MILF), and the reformist group of Dimas Pundato, who was MNLF vice chairman, also bolted out from the MNLF but similarly did not affect the MNLF, Iribane stated.

Iribane said there is a continuing effort to unite the Moro people despite the differences in their principles "and we will not allow the Ipil incident to hamper the peace talks."

Judge Enters Not Guilty Plea for Arab Suspects

BK2104022295 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0805 GMT 20 Apr 95

[FBIS Translated Text] Caloocan City Judge Pablo Inventor has been forced to enter a plea of not guilty for the six Arabs suspected to be international terrorists after their lawyers raised varying objections to prevent the charges from being read.

Earlier, lead counsel Attorney Honorato Perez filed a motion for suspension to give themselves time to talk with their Arab clients. After Judge Inventor dismissed the motion, Attorney Perez requested that the case be translated into Arabic so that their clients will understand the charges. However, after Judge Inventor conferred with the Arabs in English, he rejected the request.

During an interview with DZBB, Attorney Perez stressed that under the Constitution, foreigners have the right to understand the charges being filed against them.

According to Attorney Carlo Magno, a counsel for the Arabs, they are thinking of filing a motion to inhibit the presiding judge due to his refusal to grant their requests.

Meanwhile, the wife of one of the accused, Hinabi al-Riyami, was caught with a teargas cannister. She was later released.

The Special Action Force has safely returned the six terrorist suspects from the Caloocan Regional Trial Court to the Philippine National Police Custodial Center in Camp Crame.

Suspects Denied Bail

BK2104041295 Quezon City Radio Filipinas in English 0230 GMT 21 Apr 95

[FBIS Transcribed Text] In Manila, six suspected Middle-Eastern Muslim militants were denied bail at a preliminary hearing yesterday. The government believes the six and the Abu Sayyaf are part of an international network of extremists linked to Muslim radicals on trials in the United States in connection with the 1993 World Trade Center blast.

In Quezon City, government agents swooped on a Muslim hideout in Barangay [Village] Kunyap and picked up 12 Muslims on suspicions that they are Abu Sayyaf members. Several high-powered firearms and drugs were seized from some of them.

MNLF Rebels Said Involved in Ipil Raid

BK2104103095 Manila PHILIPPINE DAILY INQUIRER in English 19 Apr 95 pp 1, 5

[Report by Carlito Pablo, Cynthia D. Balana, Lynda T. Jumilla, Charlie Senase, Rollie San Juan, and "INQUIRER wires"]

[FBIS Transcribed Text] Some 40 foreign-trained fighters of the Moro National Liberation Front [MNLF] participated in the April 4 raid that killed 53 people in Ipil, Zamboanga del Sur, raw intelligence reports reaching the justice department said yesterday.

Acting Justice Secretary Demetrio Demetria said the information has prompted the government to consider whether or not to continue the peace talks with the MNLF.

Demetria said his department was directed by Malacanang to review the ongoing talks and will submit its recommendations before the National Security Council meeting on Friday.

In other developments:

—Government troops have reportedly captured in Basilan rebel commander Awalon Kamlon, one of the country's most wanted men who was believed to have participated in the Ipil raid.

—Armed Forces Chief of Staff Gen. Arturo Enrile said the Abu Sayyaf, while it has the capability to create trouble, is not yet a national security threat.

—The political arm of the MNLF said the Ipil raid was a covert operation by the military to sabotage the peace talks.

—MNLF Chair Nur Misuari said disgruntled elements of the MNLF joined the previously unknown Islamic Command Council (ICC) which claimed responsibility for the Ipil raid.

—Soldiers secured key installations like power, telephone, and water companies in Zamboanga City to prevent attacks by the Abu Sayyaf.

—An immigration official said an inter-agency task force has been created with Interior Secretary Rafael Alunan as chair to monitor suspected terrorists who may be planning attacks in the Philippines.

Demetria said intelligence reports indicated that 40 MNLF fighters trained in Afghanistan participated in the Ipil raid.

Demetria said they were among the 200 MNLF fighters who recently undertook military training in Afghanistan.

He added that the MNLF has apparently stepped up its recruitment drive following a cease-fire with the government.

"It appears that those who raided Ipil were new recruits while some came from the batch from Afghanistan," Demetria said.

Saudi businessman Mohammed Jamal Khalifa, who played a key role in a U.S. Central Intelligence Agency-backed, anti-Soviet resistance movement in Afghanistan, has been tagged as a financier of the Abu Sayyaf.

Khalifa has been accused by Yemen, Egypt, and Algeria of financing subversion and is said to have facilitated international financial support to the Abu Sayyaf.

Kamlon, who carried a P[Philippine pesos]500,000 reward for his capture, was captured at a checkpoint in Basilan almost two weeks after the Ipil raid. He was flown to Zamboanga City Monday afternoon by helicopter.

Maj. Gen. Edgardo Batenga, chief of the Southern Command, said Kamlon is undergoing tactical interrogation.

Kamlon and his breakaway MNLF faction has been linked to several massacres, kidnapping, extortion, and piracy in the Zamboanga del Sur area. He was held responsible for the kidnapping of 18 city government employees in 1989. They were later released.

State of shock

Also in Zamboanga, an 18-year-old girl who was among those taken hostage by the Ipil raiders was found in a state of shock in the east coast of the city yesterday.

Ging-Ging Castro, an out-of-school youth, was crying and stammering when interviewed by the police. But she managed to say that she was one of six hostages taken by one group of the Ipil raiders.

Castro said she and the five other hostages were held for eight days in the jungle, but she could not tell exactly when and how she escaped. But she said she walked up to Surabai in Zamboanga where she boarded a truck that took her to the city.

Security forces were deployed to guard power, telephone, and water companies in Zamboanga after reports that Abu Sayyaf rebels might launch attacks against them.

The military said it deployed Marines to the Zamboanga water district to secure a watershed after reports the Abu Sayyaf might poison water supplies.

Philippine Long Distance Telephone Co. relay stations and power stations were also being guarded, they said.

Troops were also visible in strategic areas on the outskirts of Zamboanga while police patrolled the city commercial area.

In Cotabato City, Misuari told a Catholic-run radio station disgruntled MNLF members joined the Islamic Command Council [ICC] which owned responsibility for the Ipil raid.

Blunders

Interviewed on dxMS, Misuari said some of the MNLF renegades left the organization voluntarily or were removed "because of blunders that they had committed."

Misuari, who is in Jeddah, Saudi Arabia, said he has no information about the shadowy organization except for what he read in the newspapers. The ICC had called up the British news agency REUTER to claim responsibility for the Ipil raid.

In Manila, General Enrile said the Abu Sayyaf is not yet a national security threat despite the extent of the damage in the Ipil raid.

He said President Ramos has given the Southern Command 60 days to produce positive results in the military's operation against the Ipil raiders who fled in three directions.

Enrile said while the Abu Sayyaf has the capability to create trouble, its membership and following have not reached a national scale.

"I would like to look at the Abu Sayyaf as something not too serious. It has not reached that proportion as to become a national security problem. We can still prevent the expansion of the fundamentalism," Enrile said.

He said Abu Sayyaf activities are limited in Basilan, Sulu, and Zamboanga where they do not openly fight with government forces.

The National Security Council will meet this Friday to discuss three urgent issues, including the Ipil raid.

Enrile said the military was definite that most of the Ipil raiders were Abu Sayyaf members because of the tactics employed by the raiders and based on declarations of the witnesses.

But the Bangsa Moro Islamic Party, the political arm of the MNLF, claimed that raid was perpetrated by the military to sabotage the peace process.

"The Ipil raid was a covert special military operations which had for its objective obstructing, derailing, or defeating the peace process between the government and the MNLF," Enrile. [as published]

"It was intended to mispresent that the Abu Sayyaf now controls the Moro regions, thereby discrediting the MNLF and justifying the termination of the peace process," he added. [as published]

Firdausi Abbas, chair of the Bangsa Moro Party said Abu Sayyaf could not have pulled off the raid because it did not have the manpower and capability to undertake such a big operation.

He said the operation is not typical of Abu Sayyaf, which does not operate beyond the platoon level.

Enrile described the Bangsa Moro's claim as preposterous.

Defense Secretary Renato de Villa dismissed Abbas' claim as "very shallow propaganda."

He said the military and the police have been conducting serious pursuit operations against the Abu Sayyaf, but their efforts were being hampered by the existing cease-fire agreement with the MNLF which the government has decided to "reexamine" in light of the Abu Sayyaf problem.

"There are instances when it is difficult to enter MNLF territory because the ground rule dictates that before the PNP [Philippine National Police] or AFP [Armed Forces of the Philippines] can enter a quarry, it has to be coordinated with the MNLF ground commander," De Villa said.

He noted that Abu Sayyaf extremists were taking advantage of this cease-fire agreement.

Ramos Orders Use of Software From Licensees

BK2104035895 Manila PHILIPPINE DAILY INQUIRER in English 18 Apr 95 p B1

[Report by Corrie S. Narisma]

[FBIS Transcribed Text] President Ramos has directed all government agencies to buy computer software only from legitimate or licensed distributors. At the same time, the interagency committee on Intellectual Property Rights (IPR) is also pushing for the designation of special IPR courts in selected urban centers in the country to accelerate the processing of IPR-related cases.

Memorandum Circular No. 115, signed last 15 April, and the designation of special IPR courts are in line with the national policy to effectively enforce the country's IPR laws.

These were among the measures that are expected to improve the country's chances of being removed from the United States Trade Representative's (USTR) "Special 301" watchlist of IPR violators. It is also aimed at improving local conditions for investment, trade and technological development.

Trade and Industry Secretary Rizalino S. Navarro said the circular sends a strong message to the computer industry and IPR violators that the Philippine government is serious in addressing the software piracy problem and in implementing the IPR law.

Efforts to address the computer piracy problem was spearheaded by the Department of Trade and Industry (DTI). Even prior to the issuance of the Malacanang directive, Navarro had already required all agencies under the DTI to acquire only licensed copies of software programs.

The DTI has successfully obtained a commitment from software publishers for substantial price discounts to consumers for programs such as Wordstart and Microsoft Windows.

President Ramos is also expected to certify as urgent at least three congressional bills that will strengthen existing IPR laws.

Despite the efforts, however, trade sources said USTR is not inclined to remove the Philippines from the watchlist after its regular annual review of the lists this month.

Sources said USTR still wants IPR law-enhancing legislations put in place. The US agency would also like to see higher government budget for IPR law enforcement activities.

Japan Approves $1 Million Infrastructure Grant

BK2104074495 Quezon City MALAYA in English 18 Apr 95 p 9

[Report by Ditas B. Lopez]

[FBIS Transcribed Text] The Japanese Government has approved the request of the Philippines for a $1-million technical assistance grant for the establishment of the Private Sector Infrastructure Development Fund (PSIDF).

The grant is expected to provide adequate support for the private sector development of projects in the ports, airports, light rail, road, water and sewerage sectors.

The assistance is also expected to hasten the take-off of the proposed PSIDF after almost two years of conceptualization.

PSIDF would provide long-term financing to the private sector in implementing infrastructure projects under the build-operate-and transfer (BOT) schemes and its variants.

The initial target funding volume is $1 billion in one or more tranches.

Finance officials said that the term financing facility would be able to initially fund some $500 million worth of projects.

Finance Secretary Roberto De Ocampo, in a recent press briefing, said the Department of Finance (DOF) is seeking proposals from financial institutions on how to structure and manage the proposed PSIDF.

He said the government has issued Requests for Proposals (RFPs) to 12 global financial institutions. He did not identify the 12 financial institutions.

De Ocampo said the institutions submitting the best proposal will be chosen as lead underwriter and placement agent for the PSIDF. The World Bank and the Development Bank of the Philippines, who are the key proponents of this facility, are tapped to evaluate the proposals and choose the lead underwriter or manager.

Among the proponents of PSIDF are: guarantee facility through which the World Bank and other development institutions would give "limited guarantee (counter guarantee by the government) to enhance the credit" of project implementors, and a term loan facility, by which loans from commercial and official sources could be channeled "to carefully screen good projects and their developers."

The PSIDF fills in a key gap in infrastructure developments by providing long-term debt to project developments.

"The government sees the PSIDF as a private sector-led and managed vehicle that will provide long-term fixed rate debt to credit worthy private infrastructure projects on a competitive basis," De Ocampo said.

The government, through Coordinating Council for Philippine Assistance Program (CCPAP) and the other line departments involved in infrastructure, has organized a program of policy, legislative, regulatory and institutional reform.

The program is designed to fast-track the construction and operation of key infrastructure facilities through BOT schemes and their variations. .

Thailand

Tharin Previews AFTA Meeting in Phuket

BK2104034095 Bangkok THAILAND TIMES in English 21 Apr 95 p B1

[FBIS Transcribed Text] Bangkok—Thailand will propose that agricultural products be included in the list of the ASEAN Free Trade Area (AFTA) and that they are excluded in the quota system of the General Agreement on Tariffs and Trade (GATT) during the ASEAN Economic Ministers Meeting (AEM) in Phuket from April 26-29, said Finance Minister Tharin Nimmanhemin yesterday.

Tharin said the ASEAN Secretariat supported the AFTA system as it was in line with the duty cutting plan, especially concerning products falling into temporary and sensitive areas.

"We want the duty for Thai products to be cut as low as possible, but we have to listen to the opinions of other member countries as well," said Tharin.

Tharin said that the currency exchange crisis would not be discussed during the AEM meeting.

"Only two major agendas will be discussed: the duty cuts which were previously set to fixed at 0 percent within a 15 year limit, and also whether agricultural products should be listed in the AFTA or GATT system," said Tharin.

The earlier AFTA meeting wanted the duty to be cut to 0 percent within 15 years but the meeting to be held in Phuket will propose that it is cut within 10 years.

On the current currency exchange crisis, the Finance Minister said the exchange rates will be at equilibrium point after the meeting of G-7.

Finance Minister Tharin Nimmanhemin said the currency exchange crisis has effected each country in the same way as financial problems are universal. Therefore, an adjustment in the currency value will reflect the trade and financial situation of each country. The present short-term fluctuation will hit trade and be an obstacle to international investment.

Tharin said he has to wait for a resolution from the G-7 meeting, which will be held together with a meeting of the International Monetary Fund (IMF) to assign measures to solve the currency exchange crisis.

Regarding Thailand's policy towards solving this problem, Thailand is striding towards developing a sound economic system for its future.

In addition, the increased Minimum Retail Rate (MRR), effective from May 1, 1995, will result in an increase in the country's savings.

Yesterday, Tharin also disclosed that the government will permit Thai investors to invest in the U.S. stock market.

Speaking after a meeting with Arthur Levitt, chairman of the United State Securities and Exchange Commission and his team, Tharin said they discussed the development of the capital market in Thailand, as well as increasing the size of the said market by combining an international capital market with that of the U.S.. Moreover, the U.S. is ready to allow Thai investors to invest in the U.S. stock market.

He said the U.S. stock market will persuade large Thai companies, which have good operational performances and are on the Stock Market of Thailand (SMT), to generate funds on the New York stock exchange.

In addition, fund mobilization in other countries will bring foreign saving into Thailand, too, according to Tharin.

Defense Minister on German Military Support

95P30084C

[FBIS Editorial Report] The 11 March Bangkok THAI RAT in Thai on page 3 carried comments made by Defense Minister Wichit Sukmak during his visit to Germany. According to Wichit, the German Government had planned to stop giving Thailand assistance in military education for Air Force cadets and general staff officers. After consultations, the Germans changed their minds "and will not reduce their assistance but will even expand military relations," he said. Wichit noted that the Thais will buy "wide-body vehicles" and communications equipment from Germany. For their part, the Germans will send the 2000-type artillery piece for "trials." In addition, they reportedly inquired about Thailand's plans to purchase submarines—pointing out the advanced technology they possess—proposed a price, and accepted the Thai-imposed conditions of government-to-government sales and countertrade. Wichit reportedly said to the Germans that "the Thai Government has not yet made a decision" on submarine purchases.

Cambodian Report on Thai Killing 'Inadequate'

BK2104031395 Bangkok THE NATION in English 21 Apr 95 p A2

[FBIS Transcribed Text] The Cambodian Government's report on the callous murder of 22 Thai's late last year is inadequate, and the military and Foreign Ministry are gathering more information, Army Commander-in-Chief Gen. Wimon Wongwanit said yesterday.

Wimon said details and back-up evidence are needed because the public wants an explanation of the tragedy which occurred in Cambodia's Preah Vihear Province.

"The military and the Foreign Ministry are seeking evidence and more information. The Cambodian Government has pointed the finger at the Khmer Rouge, but the report provided no evidence," Wimon said.

The report on the killings was handed to the government when Cambodia's second prime minister, Hun Sen, visited Bangkok last month.

An informed source said the Foreign Ministry had only just finished translating the report, which was written in French, and had forwarded it to the military. The report said only that the killings were the work of the Khmer Rogue, but gave no evidence to back up the finding.

Foreign Minister Krasae Chanawong, Wimon and senior security officers, including Permanent Secretary for Defence Gen. Prasoet Sararit and National Security Council (NSC) Chief Charan Kunlawanit, yesterday discussed the matter during a two-hour meeting at the Foreign Ministry.

Krasae said earlier that the National Intelligence Agency and the NSC had been instructed to gather information and evidence about the shootings.

The killings were earlier reported to have occurred about 60 km inside Cambodia in Preah Vihear's Chomkasan District. The victims were loggers employed by BLP [expansion unknown], a Thai timber company with a concession to operate in the area issued by the Cambodian Government.

However, according to Phnom Penh, the area in question is controlled by the Khmer Rouge.

Krasae said yesterday's meeting addressed information on the border situation to ensure all officers concerned had a similar understanding of the government's policies.

Wimon stressed that regardless of who committed the crime, Thailand believes Cambodia must take responsibility and bring the killers to justice.

Commander Urges Military To Stay Out of Politics

BK2104073195 Bangkok THE NATION in English 21 Apr 95 p A1, A3

[FBIS Transcribed Text] Supreme Commander Gen. Watthanachai Wutthisiri told military chiefs yesterday to steer clear of the volatile political showdown between supporters and opponents of the land reform program. His instruction came at a meeting at Supreme Command headquarters of the leaders of the Armed Forces.

"We must stay in our barracks and strictly maintain discipline. Let them play. Soldiers must not get involved," he said.

In case the government wants the military to help if there is a threat of violence, "just give us the order", said Watthanachai.

The Supreme Command spokesman, meanwhile, told a press conference later that Watthanachai "repeatedly" emphasized the military's non-involvement in politics at the meeting.

"He said soldiers must by no means get involved in the planned protests (concerning land reform)," said Vice Admiral Kraichit Sirisombat.

"He said a soldier's duty is to keep watch on external security threats, and only monitor the internal situation and stay away from politics."

But Kraichit added that the military would be ready to help maintain law and order if protests threatened to escalate into violence. He said Gen. Watthanachai has instructed military intelligence units to closely monitor the situation.

"The monitoring is only aimed at supplementing the work of the police and the Interior Ministry in keeping law and order," he said.

"Gen. Watthanachai also asked military units to be ready to help the government maintain peace if that need arises."

Asked if a "third party" might try to create problems in the land reform showdown, Kraichit said, "We don't know who the third party is. We just have a feeling that there might be some intervention by a third party."

Budget Will Not Permit End to Conscription

95P30084

[FBIS Editorial Report] The 8 March Bangkok THAI RAT in Thai on page 3 quoted Army Commander in Chief General Wimon Wongwanit as saying that he approved of the idea of a volunteer military "because weapons technology has advanced so greatly." However, "it will be difficult to end the draft" for budgetary reasons, Wimon said, noting that doing so "would require military pay higher than the minimum wage rates."

Court Defers Trial of Alleged Drug Traffickers

BK2104040695 Bangkok THE NATION in English 21 Apr 95 p A5

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] The Criminal Court has deferred the trial of a group of alleged drug traffickers instrumental in the capture of a suspected major drug kingpin who, according to a senior U.S. official, "took more heroin out of Thailand over 20 years than any other single person".

Narcotics suppression officers said the judge on Monday postponed the first hearing in the trial of the eight suspects arrested in December after witnesses for the prosecution failed to appear before the court. A new trial schedule will be worked out between the judge and prosecutor.

On Dec 4, Sangwan Klip-ubon, 73, Sombun Leksakhon, 38, and seven other suspects were arrested by police while allegedly loading 125 kilogrammes of heroin worth more than Bt2 [Thai currency] billion onto the Si Ubonchai, a fishing trawler, in Phet Buri Province.

The group told police that Prong Khetsiri, a key narcotics trafficker and financier, had hired them to smuggle the heroin out of the Kingdom for transferal to a larger vessel in Vietnamese waters. The drug was to be distributed to drug runners in Europe and the United States.

Sangwan, who owned the trawler and the house in Tha Laem District where the boat was berthed, died unexpectedly while in detention about one month after the arrest, leaving Sombun, the boat's skipper, as the only key witness against Prong.

Although a U.S. Government official considered Sangwan's sudden death suspicious, Thai narcotics suppression officers said he died naturally of old age.

On Feb 26, Prong, 57, was finally netted by police in Samut Prakan after successfully dodging several intensive searches. He is currently under custody awaiting trial.

The Criminal Court can order only seven extensions of custody—each for a maximum of 12 days—to keep a criminal suspect in police custody, and police are given 96 days in which to gather enough information and evidence to construct a legal case against a suspect.

Although both U.S. and Thai officials have declined to comment on the impact of Prong's arrest on the Kingdom's outbound drug smuggling, Thai officers said the trafficking network has been badly hurt by the suspect's seizure.

The officers said opium warlord Khun Sa and some members of the Wa, a minor hilltribe group, used Prong's network to smuggle heroin to the world market.

An anonymous senior narcotics suppression officer said the arrest of Prong has had a widespread heavy impact on trafficking networks as a whole.

"Prong's capture was crucial. It has badly affected other traffickers, and many of them were startled by the arrest. It is not fun at all for them to see Prong's arrest. Drug trafficking here as a whole has stumbled," said the officer.

He added that it would take some time before anyone could build themselves up enough to replace Prong.

Unlike the arrests of the nine suspects, which were disclosed in a press conference, Prong's capture was not publicized. The officer said the case was given a low profile as the supposed drug kingpin was not caught smuggling drugs "red-handed".

But other police sources claim that the Thai authorities who have been tracking Prong and investigating his trafficking record and criminal activities for the past several years believe they have sufficient evidence and enough witnesses to prosecute.

The sources said several drug trafficking culprits in the U.S. have also implicated Prong in U.S. heroin smuggling operations.

Prong, a resident of Chachoengsao Province, owns several fishing trawlers and allegedly hid his drug trade under the cover of a fishing business for the past several years, according to the sources.

In a recent interview, a senior U.S. official said the United States had previously issued a warrant for Prong's arrest and tried to lure him overseas in order to capture him. He added that Washington had also requested that Thailand should help capture Prong.

The U.S. official said Prong has smuggled about 250 kgs of heroin out of the Kingdom by boat to Hong Kong and China every month for 20 years.

"This individual Thai police have in prison probably took more heroin out of Thailand over 20 years than any single person in the entire country ... He is extremely important," the official said.

Despite the U.S. request for Prong's arrest, police sources said his capture was primarily a decision made by Thai officials based on the arrests of the nine suspects.

"The nine suspects implicated him in the trafficking in December. We have enough evidence to go after him now, which is why we arrested him" said a source who was involved in the Si Ubonchai operation.

The source added that the U.S. had requested Prong's arrest but not his extradition, which would require a court decision and could take effect only after Prong had served out his punishment in Thailand.

Board of Investment Approves Major Projects

BK2104073695 Bangkok BANGKOK POST in English 21 Apr 95 p 15

[FBIS Transcribed Text] The country's petrochemicals and automobile industries are expected to flourish following yesterday's approval by the Board of Investment [BoI] for projects worth nearly 100 billion baht [Thai currency] in these sectors.

Approval went to three olefins ventures proposed by National Petrochemical Corp and Thai Petrochemical Industry Co. Two of the three are new and one is an expansion. The ventures are seen as consistent with the plan to liberalize the upstream petrochemicals project.

Also given the green light were two car assembly plants proposed by Toyota and Honda, in a bid to make Thailand a production base for export.

The BoI, chaired by Prime Minister Chuan Likphai, approved 37 projects worth 133,503.79 million baht, 83,480.29 million baht were upstream, intermediate and downstream petrochemicals and plastics ventures, 16,934 million baht automotive and parts projects, and the remainder electricity and utilities, international shipping, newsprint and others.

Of the approved projects, 27 will be in Zone 3 and eight in Zone 2. The locations of two have not yet been specified.

BoI Secretary-General Sathaphon Kawitanon said petrochemicals, a feedstock for many related industries, accounted for over 80 percent of the newly approved investment.

Among the 15 petrochemicals projects approved, the two new olefins and one expanded projects are worth 61,298 million baht, and 12 intermediate and downstream projects over 20,000 million baht. The three olefins projects will yield 1.086 million tons of ethylene and 600,000 tons of propylene per year.

With additional olefins projects, Thailand will have four olefins plants capable of producing 1.75 million tons of ethylene per year. This is comparable to Taiwan's output, but only half of Korea's annual capacity of 3.5 million tons.

Mr Sathaphon said the BoI's decision to promote the petrochemicals industry was to keep pace with rising demand for petrochemicals products and the Industry Ministry's effort to liberalize investment in the olefins segment.

Regarding the automotive industry, he said Thailand had always maintained a policy of promoting Thailand as a center for automotive and parts production in the region. As a consequence, many automotive and parts ventures are flowing into Thailand. This time, the BoI approved 16,934 million baht worth of car assembly plants and parts manufacturing projects.

Among them was Toyota Motor Thailand Co and Honda Cars Thailand Co, which will spend a total of 10,500 million baht to build assembly plants and another 3,300 million baht to build car parts factories.

Another of the vehicle projects is a Thai-owned assembly plant making small Thai-designed pickup trucks with a Thai brand name, but with the technology acquired from Italy. 80 percent of the parts used will be locally made.

The following are some of the projects approved by the BoI yesterday:

Rayong Electricity Generating Co will invest 19,450 million baht in a power plant capable of generating 1,232 megawatts of electricity. The wholly Thai-owned project will be in Rayong.

Phalang-ngan Utsahakam Co will invest 1,388 million baht in a co-generation unit capable of producing 446,760 megawatt-hours of electricity and 35 tons per hour of steam. The 90-percent Thai-owned project will be in Rayong.

Cogeneration Co will invest 3,825 million baht to build a cogeneration unit capable of producing 1.2 million megawatt-hours, 91 tons per hour of steam and 560,000 cubic meters per year of demineralized water. The project, 72-percent Thai- and 28-percent Swedish-owned, will be in Rayong.

Vinod Kumar will invest 364 million baht to produce 9,000 tons per year of sodium hydrosulphite for the domestic market. The project, 51-percent Thailand- and 49-percent foreign-owned, will be in Sing Buri.

Yasuhisa Suda will invest 485 million baht to produce 5,450 tons per year of plastic parts for the electronics, electrical and car industries. The project, 30-percent Thai- and 70-percent Japanese-owned, will be in Ayutthaya.

National Petrochemical Plc will invest 3,505 million baht to expand its olefins plant in Rayong, capable of producing 86,000 tons of ethylene and 79,000 tons of propylene per year for the domestic market. The project is 90-percent Thai-owned.

Thai Petrochemical Industry Co will invest 32,750 million baht in an olefins plant in Rayong, capable of producing 500,000 tons of ethylene 410,000 tons of propylene, 180,000 tons of styrene monomer, 200,000 tons of MTBE [expansion unknown], 200,000 tons of linear low-density ethylene and high-density ethylene, 250,000 tons of polypropylene and 70,000 tons of butadiene per year for the domestic market. The project is 90-percent Thai-owned.

National Petrochemical Plc will invest 25,043 million baht in a new olefins plant in Rayong, capable of producing 500,000 tons of ethylene and 221,000 tons of propylene pe year for the domestic market. The project is 90-percent Thai-owned.

Toyota Motor Thailand Co will invest 8,146 million baht in an assembly plant in Chachoengsao, capable of producing 100,000 units per year of all vehicles for the domestic market. The project is 40-percent Thai- and 60-percent Japanese-owned.

Honda Car Manufacturing Thailand Co will invest 2,525 million baht in an assembly plant in Ayutthaya, capable of producing 90,000 units per year of all vehicles. The project is 51-percent Thai- and 49-percent Japanese-owned.

Siam VMC Motor Co will invest 700 million baht in an assembly plant in Chachoengsao, capable of producing 24,000 small pick-up trucks per year for the domestic market. The project is wholly Thai-owned.

Thai Bridgestone Co will invest 2,560 million baht to produce 1.04 million tyres per year. The project, 40-percent Thailand- and 60-percent Japanese-owned, will be in Saraburi.

Honda Cars Manufacturing Co will invest 1,358 million baht to produce 150,000 sets per year of car body parts for 30-percent export.

Thai Plastic & Chemicals Plc will invest 1,508.58 million baht to produce 100,000 tons per year of PVC resin for 30-percent export. The project, 71-percent Thailand- and 29-percent Japanese- and Chinese-owned, will be in Rayong.

Thai Polyethylene Co will invest 2,500 million baht to produce 200 000 tons per year of polyethylene for 30-percent export. Wholly Thai-owned, the project will be in Rayong.

Thai ABS Co will invest 1,025 million baht to produce 60,000 tons per year of acrylonitrile butadiene styrene and acrylonitrile styrene resin, 30 percent for export. The wholly Thai-owned project will be in Rayong.

Vietnam

Do Muoi Calls McNamara Statement on War Correct

BK2104120195 Hanoi Voice of Vietnam in English 1000 GMT 21 APR 95

[FBIS Transcribed Text] On Thursday, Mr. Do Muoi, [general secretary of the Communist Party of Vietnam Central Committee], said: Former U.S. Secretary of Defense Robert McNamara is correct in acknowledging that the U.S. should not have become involved in the Vietnam war. He said he told U.S lawmakers visiting that the Vietnam war was a part of the past and that the two countries should together look to the future to build new ties.

Beginning of Search for More MIA's Reported

BK2104120095 Hanoi Voice of Vietnam in English 1000 GMT 21 Apr 95

[FBIS Transcribed Text] Investigators began searching on Friday [21 April] for evidence of 27 U.S. servicemen missing in action from the Vietnam War, including crewmen from two B-52 bombers that collided in mid-air and fell into the seas. The search will be well under way by April 30 when Hanoi celebrates the 20th anniversary of its victory in the war that united North and South Vietnam and dealt the U.S. its first military defeat.

American and Vietnamese MIA specialists will hike into rugged jungles and fan out across rice paddies in central Vietnam, inspecting battlefields and places where U.S. aircraft crashed. A separate team will search the seabed 80 kilometers east of the port of Vung Tau to pinpoint the wreckage of at least one and possibly two B-52's that may contain remains of six missing crewmen. The search, scheduled to last 33 days, is the (?30th) time since 1988.

Do Muoi Addresses Economic Conference in Japan

BK2104013895 Hanoi VNA in English 1607 GMT 20 Apr 95

[All ellipses as received]

[FBIS Transcribed Text] Hanoi VNA April 20—General Secretary of the Communist Party of Vietnam Do Muoi now on a five-day visit to Japan economic conference, held in Tokyo on April 19-20. The conference was honoured by the presence of cabinet minister and chairman of the Vietnamese State Planning Committee Do Quoc Sam and nearly 30 Vietnamese enterprise managers and directors. Addressing the conference, party General Secretary Do Muoi said: "...Vietnam and Japan are Asian countries, sharing many similarities. The people of both countries are traditionally eager to learn, hard-working, and rich in their will power and creativeness. It is with this tradition that Japan has become rich. It is with this resource that Vietnam will certainly be successful in our own cause. Clearly conscious of the special importance of the human factor, Vietnam gives high priority to education with a view to upgrading the population's level of intellect, training the human resources, providing particular care for the talented, maximizing the Vietnamese people's eagerness to learn and ingenuity. I want to first of all emphasize this factor to you business people because this very factor decides not only Vietnam's prosperity but also produces many favourable conditions for our cooperation with you.

"...Being a later-comer in the process of industrialization, Vietnam is very keen on the experiences of the forerunners, including Japan—the initiator of the first postwar wave of development. At the same time, we pay attention to newly emerging factors produced by the scientific-technological revolution and the process of globalization and regionalization that is taking place vehemently throughout the world so as to reasonably apply them to the concrete situation of Vietnam.

"...It is our policy to carry out industrialization and modernisation through an open and export-oriented economy, substituting imports by goods that can be efficiently produced domestically. To that end, during the past years, we have given big priority to expanding our foreign economic relations, in terms of both exports, and investments and services. In this effort, Asia-Pacific is considered a priority direction, with Japan occupying an important position..."

The party chief continued: "Our two countries have many complementary advantages: Japan is an owner of capital, technologies and management expertise Vietnam is a possessor of an abundant, hardworking and eager-to-learn labour force with diverse natural resources and favourable geographic location. The Vietnamese market, traditionally by no means small, has increased in the purchasing power of its over 70-million-strong population, let alone the possible large incorporated regional market after Vietnam's admission into ASEAN.

"For the past several years, the cooperation between our two countries have seen an extraordinary development: the two-way trade in 1994 is 4 times higher than in 1990. Japan ranks first among Vietnam's trading partners and accounts for ⅓ of Vietnam's total export value. Japan remains Vietnam's biggest ODA [Overseas Development Aid] supplier. Japanese business investments in Vietnam have also kept growing in both quantity and scope. However, we can not stay satisfied with the (?recent) level, for potentials for cooperation expansion remains large and calls for full utilisation for the prosperity of each of us and for the development of the whole region

"...Firstly, about trading relations, although trade growth rates in recent years are remarkable trade value is still not big, particularly in Japan's trade value. In terms of structures the proportions of crude products, mainly raw materials and fuels, are dominant, while Vietnam is in considerable possesion of an educated and skilled labour force, should investment of capital, equipment, technologies, management skills and training be made, the subcontracting, processing and manufacturing industries can be soon taken shape in the country. Japan's involvement in assisting the formation of these industries and its increased import of Vietnamese manufactured products will contribute to accelerating Vietnamese development, helping solve the issue of employment, raising the income levels of different strata of the population, and subsequently promoting the purchasing power on Vietnam's market in favour of the exchange of goods between the two countries on the basis of mutual benefit.

"...Bearing in mind such a conception, we hold that development investments can be the best way to fulfill utilization of the two countries' comparative advantages, binding each other in responsibilities and interests, bringing about benefits to both countries. Regrettably, Japan's development investments in Vietnam remain far below the huge potentialities of Japan—a leading industrialized country of the world.

"...On our own, and in response to suggestions of foreign investors, including Japanese investors, we have been making all-out efforts to improve the investment environment. We have spared a marked share of investments and finances from foreign countries and intenational organizatiuons to upgrade and build infratructures, actively participated in sub-regional projects, including ADB [Asian Development Bank]-sponsored projects, in conformity with the spirit of the forum on comprehensive development of Indochina recently held in Tokyo. Our state is also trying to perfect the legal system and conducting a public administration reform, administrative procedures reform in the first place. The signing of an agreement between the two countries on double taxation avoidance this time represents a new favour. Of late, our government exerted strong measures to for a "one-door" mechanism for foreign investors, including the adjustment of land-rent scaling.

Mr. Do Muoi concluded by saying: "You are kindly asked to pay greater attention to the fields where Japan has advantages such as electronics, mechanic engineering, metallurgy, chemicals, etc. Along with your investments, we hope that you will boldly transfer technologies and technical know-hows, thus helping Vietnamese industries move forward on their own, absorb foreign advanced technologies in accordance with the guidlines of our national industrialization."

Later the same day, the Vietnamese party chief and his party were given a banquet by the Japan Federation of Economic Organizations (Keidanren), Keizai Doyukai, the Japan-Vietnam economic committee, the Chamber of Commerce and Industry, and others.

Addressing the event, General Secretary Do Muoi said-,that the cooperation between Vietnam and Japan has not yet been commensurate with the two countries' potentials.

To overcome the situation, the party leader noted Vietnam has attached importance to building infrastructures, improving investment environment and simplifying management and administrtive procedures for foreign investors including the Japanese.

He said he hoped that Japan, with great potentials of economy and science and important position in the Asian-Pacific region, would make positive contributions to Vietnam's industrialization and modernization through investment for development.

General Secretary Do Muoi and his party left Tokyo for Okayama City this afternoon. Before departure the Vietnamese party leader told Japanese and foreign journalists that his Japan visit was fruitful, contributing to the constantly consolidated and developed friendship between Vietnam and Japan.

During the three-day stay in Tokyo, party General Secretary Do Muoi and his entourage met with noted politicians, scholars, economics specialists, and industrials of Japan and attended a number of cultural activities.

Trade Minister Discusses Export Plans

BK2104071295 Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 23-29 Apr 95 pp 7, 45

[Interview with Trade Minister Le Van Triet by correspondent Kieu An at the office of the Saigon Times Group in Ho Chi Minh City; date not given]

[FBIS Translated Text] [Kieu An] Since we are at the "fringe period" between two five-year plans, could you please outline the export strategies for the next five or 10 years with regards to experiences from past five years?

[Le Van Triet] According to the socioeconomic development plan up to the year 2000, export value in the five years covering 1996-2000 must be doubled from that of 1991-95. The export of 1991-94 was $11.14 billion, and if the plan for 1995 of $4.5 billion is achieved, the total export value of 1991-95 will be $15.64 billion. The export value of 1996-2000 would then be $31.28 billion. To achieve this target, annual export increase should exceed 20 percent.

Currently, countries with average annual export value per head of $170 are considered to have developed foreign trade. In our country if we take 1994, which is the year with the highest export value, we have an average annual export value per head of $50. If we aim at the target of average annual export value per head of $170 for the year 2000 (with the estimated population then at 80 million), export value of the year must be $13.6 billion. That means the annual increase of export value during 1996-2000 must be at 24.1 percent.

With our long-term objective not to be left further behind other countries, we have to work out plan to develop exports at even higher rates. If we are successful in creating a fundamental change for the better, by the year 2000 we will have export value at $17-20 billion (or $212-250 of average annual export value per head). To achieve this, we should have annual increase rates of between 28-31 percent instead of 24.1 percent.

We all know that there are many countries in the world, especially those with less favorable conditions in terms of natural resources as compared with us, have scored export value increases higher than the above figures.

Take South Korea as an example. It is a country that aims at developing export as its main economic development strategy. From 1968 to 1978 it had brought annual export value per head from $15 to $344 (an increase of 22.13 times). Taiwan had increased its export by 11 times between 1971 and 1980.

[Kieu An] In order to achieve that "ambitious" target, where do you think we should start, and in what conditions?

[Le Van Triet] To achieve this target, there must be fundamental changes in the contents of export goods and in the structure of the import-export business system. I think that we should start from policies.

First, we have to renovate and refine our policy on export-import management to make the system suitable to an "open" economy and the trend of "trade liberalization", an objective trend that prevails in many countries nowadays.

The core factor of the renovation is a complete shift from administrative management to state management system that operates on the bases of economic rules and state law; state agencies will not participate directly in economic activities, and businessmen will be freed from all obligations and limitations except those stipulated by law.

Second, the policy to improve the contents of export goods should reflect the following guidelines:

To reduce the proportion of raw and semiprocessed goods while increasing the proportion of highly processed goods.

To work out ways to increase the export value of traditional goods that are still popular in the international markets in parallel with the increase of new merchandise that responds to contemporary demands.

To enhance the competitiveness of export goods by improving quality, price, and delivery service.

To combine the renovation of production and export mechanisms with plans to produce new major export goods to meet demands of international markets.

Our country is currently exporting agricultural products and materials such as crude oil, rice, and rubber. Efforts must be made to resolutely implement the policy on changing the economic structure and goods patterns so that 10 years from now we may become a country that exports processed goods and services. We should implement this policy in the following key directions:

Limiting the export of raw and semi-processed products using both the economic and administrative measures; continuing to ban the export of raw and processed timber; prohibiting the export of raw and semi-processed rattan; and reducing the export volume of crude ores, oil, and other unprocessed natural resources.

Quickly shifting the export of rice, raw coffee seeds and cashew nuts, meat, and fruit and vegetable into the export of highly-processed products of these items with modern packing convenient to preserving and using. To fulfill this task, first we must import equipment and technology for processing agricultural and food products.

Quickly shifting the export of crude oil and gas (for use as raw materials) into the export of refined oil and eventually high-quality oil and other processed products extracted from oil and gas (fertilizer, chemical products, and so forth)

Rapidly increasing the production output of high-quality consumer goods, ready-made clothes, shoes and slippers, and other home appliances (plastic, electric, leather, and wooden products, toys, and gifts). Close attention should be paid to the production of such special products as silk, accoutrements, shoes, and products made of pineapple and banana tree fibers, which are ample in our country.

Developing and exporting software technology for calculation machines. In the first stage, we should offer data processing management services. According to a preliminary estimate by a group of UN specialists (who work under the VIE89/024 project on foreign trade strategy) Vietnam can earn several hundreds million U.S. dollars annually if it actively engages in this field. While starting to engage in exporting software technology, we should offer service in designing simple programs for electronic machines (the industrialized countries need our service because of the cheaper price: a medium-range program costs $50,000 in their country can be obtained with only $5,000 in our country). Afterward, we should engage in designing large-scale and complicated programs.

Expanding tourist services and telecommunications, improving cargo and passenger ships repairing, and promoting brokerage services. These are forms of businesses using the advantage of our country's geographical location. The prospects of these businesses are great. (For example, Singapore's income through brokerage services accounts for one-third of its total export values).

We may roughly set a relatively rational structure for our export goods in the year 2000 as follows:

Oil (crude)	$1,300 million
Natural Gas	$800 million
Fuel, oil and oil processed products	$1,700 million
Coal	$50 million
Maritime products	$600 million
Mineral Ores	$200 million
Agro-food products	$600 million
Agro-nonfood products	$2,000 million
Semi-processed products	$1,000 million
Chemical products	$2,000 million
Agro-processed products	$2,500 million
Finished highly-processed products	$5,000 million
Software products	$2,500 million
Tourist and other services	$2,500 million
Total:	$20,950 million

[Kieu An] Could you provide a general view on conditions for fulfilling these targets?

[Le Van Triet] If we want to develop and advance further to gradually catch up with other countries, first we must design an appropriate strategy containing socioeconomic revolutionary characteristics in general, and foreign economic characteristics in particular. Whether our country can quickly overcome poverty depends chiefly on the expansion of our foreign trade activities and international economic cooperation, on our capability to catch up with changes, on our courage to advance further on the renovation path, and our capability to mobilize the people's efforts to fulfill all the strategic targets.

With a correct development strategy for foreign economic activities in the framework of the policy on socioeconomic renovation in general and on foreign trade expansion, in particular, we can bring into full play our great potentials in labor and natural resources for developing into modern industries. These are significant factors that can help us to quickly and vigorously advance further to gain our appropriate position in the region and the world.

Vo Van Kiet on Youth Contribution to Defense

BK2104064995 Hanoi VNA in English 0637 GMT 21 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 21—Prime Minister Vo Van Kiet has hailed the courageous and pioneering spirit of Vietnam's young volunteers during the past resistence wars, and called on today's young generation to bring this spirit to bear in national development.

In a meeting organized here yesterday by the Ho Chi Minh Communist Youth Union and the Ministry of Labour, War Invalids and Social Affairs, Mr Kiet talked with young volunteer from several generations about their role in the resistance wars against French colonialists and US imperialists, as well as in the present renovation process.

'In many big campaigns, tens of thousands of young volunteers took part in many difficult works such as opening roads, destroying time bombs, transporting food and weapons to the front and others in support of fighting and production,' Mr. Kiet further said.

He hailed the young volunteers as representatives of Vietnam's young generation, who had fulfilled their tasks eminently.

'Not only their braveness, enduring labour spirit but also their innovations and interminable faithfulness to the country have helped young volunteers set records and be deservingly considered a spearhead in the country's two resistance wars,' Mr. Kiet said.

He confirmed that the achievements and exploits of hundreds of thousands of young volunteers in protecting transport roads in support of fighting throughout the country would be forever noted down in history.

The prime minister also brought out young volunteers' contribution to national construction, stressing that the state and party welcome programmes and projects that young volunteers are involved in such as those on regreening bare hills, safe water for rural areas, agricultural and forestry promotion, and vocational training.

He finally called on the present young generation, in general, and young volunteers, in particular, to play a pioneering role in national development as their predecessors had done.

Communique Issued on Assembly Session Closing

BK2104041695 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 20 Apr 95

[Communique of the National Assembly Office issued in Hanoi on 20 April]

[FBIS Translated Text] Today, under the direction of National Assembly Vice Chairman Nguyen Ha Phan, the National Assembly deputies worked in the conference hall to hear the following:

Tran Xuan Gian, deputy chief of the State Planning Committee, on behalf of the compiling committee, the National Assembly Economy and Budget Committee, and the session secretariat, read a report presenting the summary of views contributed by the National Assembly deputies and the projected revision of the draft law on state business.

Ly Tai Luan, chief of National Assembly Economy and Budget Committee, on behalf of the session secretariat, read the text of the draft law on state business.

Before the National Assembly adopted the draft law on state business chapter by chapter, many deputies contributed additional views to further clarify a number of issues concerning the draft law. With great unanimity of views, the National Assembly adopted the law on state business.

The agenda of the closing of Ninth National Assembly Seventh session was directed by Chairman Nong Duc Manh. Vu Mao, chief of the session secretariat, read the draft of the resolution on the need to continue to implement the 1995 tasks. The deputies contributed additional views on a number of issues relating to the draft resolution. Vu Mao, chief of the session secretariat, took into account the National Assembly's views on the draft resolution. With great unanimity of views, the deputies adopted the resolution on the need to continue to implement the 1995 tasks.

After National Assembly Chairman Nong Duc Manh delivered the closing speech, the military band played the national anthem. The Ninth National Assembly Seventh Session successfully ended at 1525 this afternoon.

VNA Reports Closing of Session

BK2004165595 Hanoi VNA in English 1637 GMT 20 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 20—The National Assembly closed its 7th session here today after 21 days' working. In this session the National Assembly deputies, with high unanimity, passed the law on state enterprises, and the law on amendments and supplements to the law on civil aviation. They also spent much time discussing the draft law on minerals and main questions on the draft civil code. They decided on the establishment of the administrative court in the system of people's courts and gave opinions on the bill on amendments and supplements to a number of articles of the law on people's court [words indistinct], with a view to making an important preparation step for the passing of these draft laws in the next session.

The National Assembly reviewed the implementation of the land law over the past time, worked out a number of directions and stricter measures to to be taken for strict execution of this law in the coming time. The National Assembly stressed on the timely settlement of land disputes, overcoming the complicated development of land trade and speculation and hoarding, step by step reestablishing order in land use and management, thus ensuring effective and economical use of land. However, the N.A. deputies warned, more and more urgent problems have been emerging in the fields of land use and management, requiring further inquiries and step-by-step completion of state's policies and legal system on land.

During the session, the National Assembly paid attention to reviewing the implementation of tasks and state budget in 1994 and carrying out the National Assembly's resolutions on tasks and state budget for 1995 with a view to find out effective measures for a number of important problems on the current socio-economic situation.

In its freshly passed resolution on 'continued implementation of tasks for 1995', the National Assembly affirmed that together with boosting production and expanding trade, we should fulfil the task of budget revenue, restrict losses, practise economy in expenditure, and fight against wastes and corruption, especially in capital construction and many other important fields. Prices, especially prices of food, foodstuff and agricultural materials should be stabilized by all means, the resolution stressed.

The National Assembly also paid no less attention to external relations activities, consolidation of national defence and security, and enhancement of the efficiency of scientific, educational, cultural, and social activities,as well as to the life of ethnic minority people, mountainers and residents in the former resistance bases.

To make important contributions to implementing the above main tasks, the National Assembly drew the attention of the government, branches and levels to actively completing the state apparatus with the acceleration of the state administration reform as focus point, by simplifying procedures, connecting the observance of order and disciplines and the building of a powerful, pure and effective state with the implementation of socio-economic tasks and anti-corruption and smuggling fight.

Australia

Evans Calls For Indefinite Extension of NPT

BK1904040795 Melbourne Radio Australia in English 0100 GMT 19 Apr 95

[FBIS Transcribed Text] China says it favors extending the Nuclear Nonproliferation Treaty [NPT] for at least 25 years. The foreign minister, Qian Qichen, made the statement at the NPT Review Conference in New York.

Austrlaia's minister for foreign affairs, Gareth Evans, called for an indefinite extension of the treaty. Phillip Lasker has this report:

[Begin Lasker recording] Australia is lobbying against moves to have the treaty extended for a definite period of up to 25 years. Senator Evans claimed that as a matter of simple practicality, nuclear weapons states could not proceed to disarm if there was a climate of uncertainty—a situation that will be triggered by anything less than an indefinite extension of NPT. His sentiment was supported by most of the major European nations, including Britain, which pledged to stop making fissile materials for nuclear bombs.

British Foreign Secretary Douglas Hurd claimed the decision was taken to underline the country's commitment to eliminating nuclear weapons. [end recording]

Leader of Parliamentary Delegation on SRV Visit

BK1304151795 Melbourne Radio Australia in English 0500 GMT 13 Apr 95

[FBIS Transcribed Text] The head of an Australian parliamentary delegation to Vietnam says he believes the visit has established the groundwork for more advanced dialogue with Vietnam and opened up the way for future missions. Delegation leader Senator Stephen Loosley says although his group was refused permission to meet political and religious dissidents, it did have access to a minimum security prison and met senior Roman Catholic clergy. Senator Loosley said that during the visit to Hue, the mission was able to raise a number of issues with members of the local governmental authority. He said these included religious tolerance and freedom of expression in terms of religious belief.

The nine-member consultative delegation, which included academics and Vietnamese-born Australians as well as members of Parliament, are now preparing a report on the general economic and political situation in Vietnam. A similar visit last year was canceled after Hanoi refused to issue a visa to a Vietnamese-born Australian who had said the trip would focused on human rights issues.

Editorial Views Manipulation of New Trade Rules

BK1804142595 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 7 Apr 95 p 28

[Editorial: "High cost of breaking trade rules"]

[FBIS Transcribed Text] The promised gains from the Uruguay Round of trade negotiations, which resulted in the General Agreement on Tariffs and Trade being replaced three months ago by new rules administered by the World Trade Organization [WTO], were always rather too good to be true.

But to see the estimated increase in world income which could be expected to flow from this change being cut from $US198 billion—in 1992 dollars—to just $US48 billion is a bigger revision than even the most cynical might have expected. In the case of Australia, one estimate now suggests the likely income boost will be a mere 40 percent of the original forecast.

As the latest edition of the World Bank's DEVELOPMENT BRIEF argues, the main cause of this is the way in which the Uruguay Round in fact "achieved little or no liberalization in agriculture". Far from cutting farm protection, the agreement could end up increasing it.

Putting it bluntly, when it comes to agriculture many of the main producers have cheated in the past and, it seems, are likely to keep on doing so in the future—all this in the name of protecting their inefficient farming sectors from real competition.

The trouble is, whether it's agriculture, manufacturing, or any other sector, cheating is relatively easy. While tariffs may be cut or abolished, there is a whole range of non-tariff barriers, such as anti-dumping duties and quality controls, which can be used. Such barriers have increased to such an extent that they now cover half the world's trade.

In theory, the WTO rules take a strong stand against this sort of behaviour, sometimes referred to as "dirty tariffication". In practice, the rules will only ever be effective if the countries which have signed up are committed to implementing them.

For those in Australia who continue to support protection, these revelations will no doubt be seen as a justification for their stance. Many of those who adopt this position argue that, since other countries cheat on protection, so should we.

This view is mistaken, not for any moral reason but because it fails properly to understand that protection whether or not covert, comes at a high price.

Protection for one industry is effectively a tax on all the others. It allows the industry with the protection to lift its profits higher than would otherwise be the case, to attract new investment and to expand—all at the expense of other sectors. In Europe, for example, it has been estimated that agricultural protection costs the manufacturing sector billions of dollars a year. As well it costs those in urban areas hundreds of thousands of jobs.

In Australia, the heavy protection that has been extended in the past to the automotive and clothing industries has resulted in consumers paying substantially more for these key items. What's more, without such protection, some of which still exists, the country's resources, such as its skilled labour and access to foreign investment capital, would have been used previously to develop the sort of new, more competitive manufacturing industries which have only now begun to emerge as significant exporters.

As Australia winds back tariff protection, however, the temptation to resort to non-tariff barriers is no less strong for us than for most other countries. Australia, for example, is a heavy user of anti-dumping action and in recent years has accounted for around a third of the anti-dumping cases initiated by all GATT members.

Yet, while we frequently argue that imports are being dumped in our market, most such cases are no more than healthy competition. That an overseas manufacturer is prepared to use excess capacity to supply Australian consumers at close to cost is our gain, not loss.

About the only situation where anti-dumping action is justified is when it is predatory, that is, the overseas supplier is attempting to drive local producers out of business, after which it can use its monopoly to push up prices. But this is highly unusual. So unusual, in fact, that no case of predatory dumping has ever been recorded in Australia.

Instead of using the World Bank's revelations to justify an extension of our own "dirty tariffication", Australia needs to push harder to cut all forms of protection. Only by doing this can we achieve the sort of well-tuned and efficient economy which has so long eluded us.

At the same time, we should push for action by the WTO aimed at ensuring, wherever possible, that all forms of industry assistance are only provided after the country in question has carried out a public inquiry.

It is only by having such an inquiry that the losers from protection—in most cases, individual consumers and a range of unprotected industries—will be made aware of the costs they are incurring.

When this happens the vocal lobbyists for protection such as French and Japanese farmers, will fly be forced to confront an equally committed, but counterveiling, pressure group. Faced with this much more equal political equation the chance of governments meekly agreeing to protection will be greatly reduced.

Editorial Considers Effects of Strong Yen

BK1804142995 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 5 Apr 95 p 18

[Editorial: "Strong yen poses new challenges"]

[FBIS Transcribed Text] The continued strength of the Japanese yen has the potential to cause significant, longer-term problems for Australia. At the same time, however, it raises the prospect of generating substantial gains.

Neither the problems nor the opportunities are inevitable. The extent to which either of these countervailing tendencies ends up dominating will depend notwly on Japan's policy response to the yen's strength, but also on how Australia reacts.

Among the two major riskwr Australia is the possibility that the rising yen will not only prolong the current Japanese slowdown, but will ?o trigger a major relocation of its manufacturing capacity, not to other Asian countries, but to North America and wrope.

Two of Japan's car giants, Toyota and Nissan, already have assembly and transmission plants in Britain and-wthe United States. So significant is this investment that Toyota exports less cars from Japan than it does from its ombined British and US plants. In addition, Isuzu, Mitsubishi, Subaru, and Suzuki also have manufacturing operations in North America.

From Australia's perspective, the trouble with this sort of development is the way it is likely to undermine Japanese demand for our raw materials. Instead more of these will be sourced from suppliers closer to where the manufacturing is being carried out. Given that the slowdown of the Japanese economy is already threatening to undermine demand for such key exports as coal and iron ore, a decision by Japanese industry to accelerate the shift out of Asia would be a significant setback.

The main hope is that the major Japanese manufacturers will respond to the stronger yen by moving production mainly to other Asian countries, not to North America or Europe. If this turns out to be the case, the loss of direct exports of raw materials to Japan should, at least in the long run, be more than offset by extra sales to the rest of Asia.

An even better outcome, of course, would be for Australia itself to gain directly from any such Japanese restructuring. That this is a real possibility is suggested by the recent announcement by Toyota of a major export program under which cars will be shipped from its new Melbourne factory to the Middle East. Unofficial estimates point to this generating revenue of as much as $500 million a year, which would be a significant boost to Australia's existing $1.5 billion annual earnings from automotive exports.

That the strong yen is generating some genuine cost advantages for Australia is highlighted by figures given out yesterday by Holden's. For example, whereas the Holden Nova, which contains a significant proportion of Japanese sourced parts, had a list price in 1990 which was just 76 percent of the much larger, almost totally Australian Commodore, this figure has now jumped to 92 percent. It is likely the experience of Ford has been fairly similar.

With cost shifts such as this the opportunity for Australia to attract a greater proportion of Japan's direct investment in offshore manufacturing has been given a genuine boost. The challenge, whether in the automotive industry or elsewhere, is to make sure that this is fully exploited.

The trouble is, although Australia's educated workforce, competitive wage rates and benign working environment underpin our appeal to direct investors, other crucial factors are rather less positive. Our labour market practices, while better than in the past, need further improvement. The same is true of the operation of such crucial infrastructure as ports and railways. Without further gains in these areas, we are likely to benefit less than we should from the continuing shift offshore by Japanese industry.

This is true even of the tourism industry, the one sector of the economy which seems unequivocally set to gain as a result of the stronger yen. Although this is now Australia's biggest export earner, its prospects will be undermined unless local investors, including the large superannuation funds, are prepared to take a long-term view by directing funds into new hotel developments.

Some of this money may come from the Japanese themselves, although the financial pain they suffered as a result of many of their previous forays into Australia's various property markets is likely to make them extremely wary. In fact, rather than putting funds into our market there is a strong chance some Japanese institutions, faced with the likelihood that the yen will continue to rise, will decide to sell so as to cut their losses on their existing holdings of commercial property.

Nor is it likely that the Japanese will use their stronger yen to lift their holdings of offshore shares and bonds whether in Australia or anywhere else. Having lost almost $US350 billion as a result of currency shifts between 1985 and 1994, the big Japanese fund managers are understandably reluctant to venture offshore in any significant way.

Yet encouraging this sort of investment is not our major challenge. This, instead, centres on ensuring that Australia benefits from any further offshore relocation of Japanese industry. The best way to do this is to accelerate micro-economic reform and push hard for improvements in the performance of our labour market.

Papua New Guinea

Premier Seeks Australian Aid To Revive Currency

BK1804085195 Melbourne Radio Australia in English 0500 GMT 18 Apr 95

[FBIS Transcribed Text] Papua New Guinea [PNG] Prime Minister Sir Julius Chan, as expected, is reported to have flown to Australia for an urgent meeting with Prime Minister Paul Keating concerning the decreasing value of the PNG currency, the kina. Government officials in Port Moresby says Sir Julius has flown to Cairns in far north Queensland where Mr. Keating is on a visit.

The kina was floated last year to boost investment and increase foreign exchange reserves but recently has been falling steadily against the American dollar. An unconfirmed report in a PNG newspaper, THE NATIONAL, says Sir Julius plans to ask the Australian Government to advance the balance of this year's $322 million [currency not further specified] aid budget to help keep the kina afloat. The Australian aid budget is currently paid in monthly installments.

The PNG finance minister, Chris Haiveta, is believed to have accompanied the prime minister to Cairns.

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